Regulatory Story

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Experian plc - EXPN
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Preliminary results for year ended 31 March 2019

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news release

Preliminary results for the year ended 31 March 2019

7am, 15 May 2019 — Experian plc, the global information services company, today issues its financial report for the year ended 31 March 2019.

Brian Cassin, Chief Executive Officer, commented:
"This was a very good year for Experian. Our investment and innovation agenda delivered strong and broad-based growth with exciting new offers for consumers and businesses. We have strengthened our prospects and expanded our opportunities; both our B2B and Consumer Services businesses delivered strongly. With another year of continued investments, FY20 is expected to deliver further strong performance, with organic revenue growth in the 6-8% range, Benchmark EBIT growth at or above revenue growth and strong progress in Benchmark earnings per share."

Benchmark and Statutory financial highlights

	2019 US$m	2018[2] US$m	Actual rates growth %	Constant rates growth %	Organic growth %
Benchmark[1]					
Revenue - ongoing activities	4,855	4,572	6	9	9
Revenue	4,861	4,584	6	9	n/a
Benchmark EBIT - ongoing activities[3]	1,306	1,241	5	10	n/a
Total Benchmark EBIT	1,311	1,247	5	10	n/a
Benchmark EPS	USc 98.0	USc 94.4	4	9	n/a
Statutory					
Revenue	4,861	4,584	6	9	n/a
Operating profit	1,162	1,051	11	16	n/a
Profit before tax	957	950	1	7	n/a
Basic EPS	USc 76.9	USc 85.4	(10)	(1)	n/a
Total dividend	USc 46.5	USc 44.75	4	n/a	n/a

1 See Appendix 1 (page 12) and note 5 to the financial statements (pages 23-25) for definitions of non-GAAP measures.
2 Results for 2018 are restated for IFRS 15, Benchmark measures are also restated for exited business activities which comprise certain B2B businesses.
3 See page 13 for reconciliation of Benchmark EBIT from ongoing activities to Profit before tax.

- **Strong momentum continues.**
  - Q4 organic revenue growth of 10% and full year organic revenue growth of 9%.
  - B2B full year organic revenue growth of 9%.
  - Consumer Services organic revenue growth of 6% with rapidly growing new product portfolio.
  - Benchmark EBIT margin of 26.9%, up 20 basis points at constant rates, down 20 basis points at actual rates, with 10% total Benchmark EBIT growth at constant rates.
  - 9% Benchmark EPS growth at constant rates.
- **Operational highlights.**
  - Broad based investments in technology and innovation driving growth across our expanding markets.
  - Scaling B2B innovation across our geographies; new opportunities secured for PowerCurve, Ascend, CrossCore, Open Data platforms and Marketplace services.
  - Ascend, our big data platform, installed in our largest US clients and sales secured across 4 countries.

- Direct relationships with consumers scaling rapidly as free consumer memberships reach over 55m combined across our three major markets, up from 40m last year.
- Launched Experian Boost, a major new US consumer-permissioned data offer; since March 2019 over 600,000 US consumers have already connected to Experian Boost.
- Strong performance in Experian health with another year of double digit growth.
- Expanded venture investment programme, with new investments including Marketplace operators.
- Completed acquisition of Compuscan for R3,720m (c. $263m)[4], expanding our presence across Africa.

- **Continuing commitment to shareholder returns and disciplined capital allocation.**
  - Second interim dividend up 4% to 32.5 US cents per ordinary share; total dividend for FY19 up 4% to 46.5 US cents per ordinary share.
  - Share repurchase programme of up to US$400m.

4 Cash consideration before adjustment for debt and net working capital. Translated at ZAR/US$ exchange rate of 14.17.

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There will be a presentation today at 9.30am (UK time) to analysts and investors at the Bank of America Merrill Lynch Financial Centre, 2 King Edward Street, London, EC1A 1HQ. The presentation can be viewed live via the link from the Experian website at www.experianplc.com and can also be accessed live via a telephone dial-in facility: 0800 783 0906 (UK primary) or 01296 480 100 (UK direct) or +44 1296 480 100 (International direct), using access code 752 673 51. The supporting slides and an indexed replay will be available on the website later in the day.

Experian will update on first quarter trading for FY20 on 16 July 2019.

Roundings
Certain financial data has been rounded within this announcement. As a result of this rounding, the totals of data presented may vary slightly from the actual arithmetic totals of such data.

Definitions
B2B - Business-to-Business.
B2B2C - business-to-business-to-consumer.

Forward looking statements
Certain statements made in this announcement are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements. See page 11 for further information on risks and uncertainties facing Experian.

Company website
Neither the content of the Company's website, nor the content of any website accessible from hyperlinks on the Company's website (or any other website), is incorporated into, or forms part of, this announcement.

About Experian
Experian is the world's leading global information services company. During life's big moments - from buying a home or a car, to sending a child to college, to growing a business by connecting with new customers - we empower consumers and our clients to manage their data with confidence. We help individuals to take financial control and access financial services, businesses to make smarter decisions and thrive, lenders to lend more responsibly, and organisations to prevent identity fraud and crime.

We have 17,200 people operating across 44 countries and every day we're investing in new technologies, talented people and innovation to help all our clients maximise every opportunity. We are listed on the London Stock Exchange (EXPN) and are a constituent of the FTSE 100 Index.

Learn more at www.experianplc.com or visit our global content hub at our global news blog for the latest news and insights from the Group.

Chief Executive Officer's review

FY19 was a year of considerable progress for Experian and our business is performing really well. Our addressable markets are expanding and there is increased demand for our services as the rise of big data and machine learning transform the way organisations interrogate and analyse data, as consumers seek greater convenience through real-time transactions and as new ways emerge to widen access to affordable credit in emerging markets. We have successfully introduced ground-breaking new propositions to satisfy this demand and our ambition is to scale these capabilities systematically across our geographies.

Financial performance was strong with:

- Total revenue growth of 9% at constant currency, with total revenue growth at actual exchange rates of 6%, and organic revenue growth of 9%.
- Strong growth across all regions with notable performances in North America and EMEA/Asia Pacific.

- Strong performance in B2B with organic revenue growth of 9% helped by good take-up rates for new sources of data and new product innovations.
- Good growth in Consumer Services, with organic revenue up 6% as we introduce new offers and build relationships with millions of consumers.
- Growth in Benchmark EBIT of 10% at constant exchange rate, 5% at actual exchange rates.
- Enhanced Benchmark EBIT margins at constant currency, with an increase of 20 basis points to 26.9%, as we drove significant productivity across the business with full-time-equivalent headcount up only 1%. At actual exchange rates, the Benchmark EBIT margin reduced by 20 basis points due to currency translation effects.
- Growth in Benchmark earnings per share of 9% at constant exchange rates and 4% at actual exchange rates.
- Strong Benchmark EBIT conversion into cash, with 97% conversion of Benchmark EBIT into Benchmark operating cash flow.

Strategically in our B2B segment, we made significant progress as we secured new and bigger client engagements driven by:

- Investments in new product innovation, including the roll-out of Experian Ascend. The Ascend Sandbox is now installed in our largest clients in North America, we have introduced new modules on the platform and we have commenced the extension of Ascend to the US mid-market. We also collectively secured new clients for Ascend in the UK, Brazil and Italy, with plans to introduce it to more Experian markets in the coming months.
- Access to a wider range of data sources as we have added low income, rental and consumer-permissioned data to our more traditional credit datasets, and as we make it easier for our clients to consume and use data in real time. Clarity Services in North America performed very strongly, significantly ahead of the buy plan.
- Very strong take-up rates for Decisioning platforms. In FY19 we secured new contracts for PowerCurve including for the most recent collections module; our fraud and identity platform CrossCore secured 70 client wins this year to take total clients to 133; and we secured our first client agreements for Experian One, our new SaaS-based decisioning platform.
- Expanding rapidly across key vertical markets with double-digit growth across Experian health and our North America automotive vertical.
- Introducing new commercial propositions on our open data platform, which enable clients to automate critical risk management processes such as affordability assessments.
- Signing new commercial agreements, alongside equity investments, to power data marketplaces with C88 and Jirnexu, two of the fastest growing credit comparison sites in Indonesia, the Philippines and Malaysia.

We also made significant strategic progress in Consumer Services as we:

- Secured direct relationships with over 55m consumers for free Experian offers (up from 40m in FY18). We now have 19m free members in the USA, over 32m in Brazil and 5.6m the UK.
- Delivered strong growth in credit marketplace (lead generation) revenues, which achieved revenues of over US$50m globally for the year.
- Introduced Experian Boost, which for the first time in the USA provides consumers with the ability to potentially change their credit score by adding more information to their credit file. Since the full advertising launch in March 2019, over 600,000 US consumers have connected their accounts to Experian Boost.
- Added IdentityWorks memberships in North America, which reached 375,000. Together, IdentityWorks and CreditMatch exited the year with US$110m of annualised revenue, up over 130% year-on-year.
- Through the acquisition of the reserved response business of AllClear ID in March 2019, we have reinforced the strength of our identity protection and breach services offerings, markets which are expanding rapidly.

With regards to capital allocation and uses of cash:

- We invested organically across a broad range of initiatives in support of our strategy. We also made inorganic investments through acquisitions, minority investments and venture investments totalling US$125m. We expect to continue to prioritise investing in technology and innovation to drive competitive advantage and strong sustainable growth.
- We are announcing a second interim dividend of 32.5 US cents per share, up 4% year-on-year to bring the total for FY19 to 46.5 US cents per share. This dividend will be paid on 26 July 2019 to shareholders on the register at the close of business on 28 June 2019.
- We completed US$215m in share repurchases. We are announcing a new share repurchase programme of up to US$400m.
- We maintained tight discipline on capital allocation, ending the year with Net debt of US$3,275m, which places us at 2.0 times Benchmark EBITDA by the end of the year, at the bottom of our target leverage range of 2.0 to 2.5 times net debt to Benchmark EBITDA.
- Return on capital continues to be strong at 15.9%, up 40 basis points on the prior year (2018: 15.5%).

Regional highlights
We delivered organic revenue growth across all regions, with particular strength in North America and EMEA/Asia Pacific.

	Year-on-year % change in organic revenue [1]					**EBIT margin**
	Data	*Decisioning*	**B2B[2]**	**Consumer Services**	**Total**	**Total**

North America	*10*	*11*	11	9	10	32.3%
Latin America	*3*	*23*	6	n/a	6	32.7%
UK and Ireland	*4*	*10*	7	(4)	4	28.3%
EMEA/Asia Pacific	*4*	*21*	14	n/a	14	0.7%
Total Global	*7*	*14*	9	6	9	26.9%

1 Ongoing activities only, at constant exchange rates.
2 B2B = Business-to-Business segment consists of Data and Decisioning business sub-divisions.
See note 5 to the financial statements on pages 23-25 for definition of organic revenue growth.

North America

Revenue in North America was US$2,913m, with total revenue growth of 11% and organic revenue growth of 10%.

North America B2B delivered organic revenue growth of 11%, with growth widely spread across a number of areas. In Data, this included volume growth across core profiles, trended data in mortgage and, as we address new markets with our data, advanced analytics and decisioning software. Our strategy to supplement consumer bureau data with new alternative sources of data is also contributing to growth, as we secure client wins and synergies from our industry-leading Clarity Services acquisition, which has performed very strongly.

We have made considerable progress with Ascend in its first full year since launch. Ascend is our big data platform which provides access to historic credit data and can integrate both third party and alternative data sources. The first module, Ascend Sandbox, has now been adopted by our largest clients. We expect to sustain momentum as we introduce new modules which add data from Clarity Services, automotive data and business credit data, where we have secured our first client wins, and as we extend into the mid-market. By coupling Ascend with PowerCurve we are also able to solve more complex challenges for clients, enabling them to link credit-strategy scenario analysis to make immediate decisions around credit line management, something which has not been possible in the past, and we have secured our first client wins for these advanced modules.

Decisioning performed very strongly this year as we secured substantial multi-product engagements with major financial institutions for the provision of software, analytics and consulting services, as well as for fraud and identity management. We also made good progress as we have introduced new PowerCurve modules, securing our first PowerCurve collections win in the USA. Experian Health also performed strongly, with another year of double-digit growth overall and across our suite of eligibility, claims and collections, and as we have won new hospital mandates and cross-sell more of our revenue-cycle suite to existing clients.

North America Consumer Services delivered organic revenue growth of 9%. Our strategy is to establish direct relationships with consumers and to help consumers get better outcomes by using their data for their own benefit. We have now signed 19m consumers to free membership offers, up from 14m at the end of FY18. Our identity offer continues to grow, with 375,000 consumers now signed up. We were also delighted to introduce Experian Boost, a new service which gives consumers the ability to make positive choices about using their data to build out their credit files using non-traditional sources like utilities, mobile phone or cable TV bills. Since launch in March, over 600,000 US consumers have connected to Experian Boost, which is a hugely encouraging initial reception. CreditMatch, our credit comparison offer, is gathering momentum, almost quadrupling revenue over the course of this year and we also delivered good growth in B2B2C as we signed new customers for identity, credit comparison and data breach services during the year.

North America Benchmark EBIT increased by 14% to US$940m. There was good progress in the Benchmark EBIT margin which increased by 90 basis points year-on-year to 32.3%, reflecting operating leverage and momentum in our Consumer Services business.

Latin America

In Latin America, revenue was US$707m, with total and organic revenue growth of 6% at constant exchange rates.

As the new political administration in Brazil prioritises reform, the macroeconomic backdrop has started to stabilise. Our business grew double-digit in Q4 of FY19 as greater confidence in the macroeconomic and political environment helped clients confirm a number of large purchases deferred from earlier in the year. Throughout the recession, we continued to invest in our business and we are well positioned going forward. This year in Brazil we delivered good growth in B2B as we signed multi-year agreements with lenders, retailers and other clients for data, scores, analytics and decisioning software, and this helped to offset weaker revenue performance across small and mid-market accounts. We are now ramping up the rate of B2B product introductions, having launched Ascend after the end of the financial year and we have since secured our first client win in Brazil.

We welcome new legislation in Brazil which will permit the collection of comprehensive credit data. We believe this will expand financial inclusion in Brazil enabling consumers to access a wider range of financial products and services. We believe it will also create the conditions to develop better scores, enhanced services for consumers and to increase adoption of advanced analytical and cloud-based decisioning tools. We are fully prepared for the introduction of positive data when the new opt-out law becomes effective in July 2019, and we expect implementation to take place by October 2019.

We prioritised investing in our consumer business ahead of the introduction of positive data and we now have significant momentum. We have gained considerable scale having signed up over 32m free members, or over 15% of the population, which demonstrates the power and resonance of the Serasa Experian brand in Brazil. We are successfully generating revenue through a range of offers, including our debt settlement service Limpa Nome. We have also made good progress with eCred (our credit comparison service) and through our B2B2C offer, Serasa Box.

Spanish Latin America performed strongly as we extend the range of services we offer to our B2B clients. We have won new mandates with large clients in Colombia and we are successfully deploying our decisioning software suite across the wider region. We plan to grow our market position still further as we introduce more of our highly differentiated global Experian platforms into the region, including Ascend, CrossCore and Experian One.

Benchmark EBIT in Latin America was US$231m, up 9% at constant exchange rates. Benchmark EBIT margin was 32.7% (2018: 33.3%) reflecting foreign exchange headwinds, revenue mix, investment in the Consumer Services start-up and other growth initiatives.

UK and Ireland

Revenue in the UK and Ireland was US$813m, with total and organic revenue growth of 4% at constant rates. Growth in B2B was 7%, and the rate of decline in Consumer Services moderated to (4)%.

B2B performed well, with a step-up in performance towards the end of the year, underpinned by good growth in credit reference volumes and new client wins for credit pre-qualification and data aggregation services and as we secured major client wins for combinations of data and software services. We have placed a significant emphasis on rolling out our innovation portfolio. We have seen considerable client interest in Ascend since its launch in the UK and Ireland earlier in the year and we are delighted to have secured five signed agreements with several financial institutions. Ascend will be a high priority focus for us in the UK and Ireland over the coming year. As in the USA, our ambition is to introduce new modules which will include additional sources of Experian data, and enable us to address more customer segments, as well as opportunities to integrate Ascend with PowerCurve. Momentum is also building across our open banking platform as we have signed new clients for affordability services, and we have secured new client agreements for Experian One, our SaaS-based decisioning service.

In Consumer Services, we have made steady progress with the business back to a stable position as we exit the year. While we were disappointed that our plan to acquire ClearScore was not successful, we have made good progress in our efforts to diversify the business. Our free membership base has reached 5.6m consumers, and CreditMatcher, our comparison service, grew strongly. We see significant opportunities to help consumers better manage their money and we will continue to add exciting new features to help them do this. Recently we introduced a new identity offer Identity Plus and we will launch innovative new free services over the coming year, including offers based around consumer-permissioned data. Subscription-based credit monitoring services contracted, but the rate of decline has moderated as new product features drive higher engagement in paid memberships.

Benchmark EBIT was US$230m, down (1%) at constant exchange rates. This reflected the decline in Consumer Services revenue, as well as elevated investment in a range of new product introductions. The Benchmark EBIT margin was 28.3% (2018: 29.8%).

EMEA/Asia Pacific

EMEA/Asia Pacific performed strongly. Revenue was US$422m, with total and organic growth of 14% at constant rates, including positive contributions across both Data and Decisioning.

This has been an exciting year of significant developments across EMEA/Asia Pacific. Lenders in EMEA are investing in cloud-based technologies and advanced analytics. We are well positioned to capitalise on these trends as we introduce global capabilities like Ascend and Experian One.

The acquisition of Compuscan will also strengthen our market position in South Africa and provide opportunities more broadly across Africa. We have a long track record of investment in South Africa, where for many years we have helped businesses thrive through the provision of credit data and decisioning tools. Compuscan is one of the leading providers of credit information and decision analytics in South Africa, with operations also across six other sub-Saharan African countries. The combined customer bases of Experian and Compuscan are highly complementary and we believe we will realise substantial benefits from this combination.

In Asia Pacific we have pioneered the concept of data marketplaces, signing new commercial agreements this year with C88 in Indonesia and Jirnexu in Malaysia, alongside equity investments in each company. These marketplaces allow us to score more people using non-traditional data and increase acceptance rates for credit cards, unsecured loans and insurance offers. The result is millions of people can get access to affordable credit. Asia Pacific contains the largest population of unbanked and underbanked consumers in the world and with these investments we have the ability to vastly increase levels of financial inclusion. These investments, alongside a greater number of large new business wins for our analytics and decisioning software, have propelled our performance in Asia Pacific this year.

Benchmark EBIT was US$3m (2018: US$5m). At actual exchange rates Benchmark EBIT growth was (38)%, due to adverse currency translation effects, and at constant exchange rates it was 152%. Benchmark EBIT margin from ongoing activities at actual rates declined (60) basis points to 0.7% as foreign exchange translation rates offset positive margin development as our operations grow in scale.

Other financial developments

Our Benchmark PBT was US$1,198m, up 8% at constant currency and 3% at actual rates, after higher Benchmark net interest expense of US$113m (2018: US$85m), reflecting higher market interest rates. We expect net interest of c.US$125m in FY20 on a like for like basis. IFRS16 will have no material impact on our overall financial results, reducing operating expense by around $10m and increasing interest expense by around $10m in FY20. Including the effects of IFRS16 therefore we expect net interest expense of $135m in FY20.

The Benchmark tax rate was 25.5% (2018: 25.5%). We expect the Benchmark tax rate to be c. 26% in FY20 reflecting the mix of profits and prevailing tax rates by territory.

Our Benchmark EPS was 98.0 US cents, an increase of 9% at constant currency and 4% at actual rates, as the weighted average number of ordinary shares (WANOS) reduced to 904m (2018: 917m) as a result of our share repurchase programme.

We generated good cash flows in the year reflecting the nature of our business, the financial model and focus on working capital management. Benchmark operating cash flow grew 6% at actual rates and our Benchmark operating cash flow conversion was 97% (2018: 96%).

Consistent with our capital allocation framework, uses of cash were balanced between growth investment and returns to shareholders. Net capital expenditure was US$431m, which represents 9% of total revenue. We expect this to be c. 9-10% in FY20 as we continue to invest in new products and innovation. After acquisition and investment expenditure of US$125m, ordinary dividends paid of US$410m, and share purchases of US$215m, we ended the year with net debt of US$3,275m, placing us at 2.0 times EBITDA, near the bottom of our target range of 2.0 to 2.5 times net debt to EBITDA.

During the year we issued two bonds maturing in 2024 (£400m) and 2029 (USD$500m), extending the average duration of our debt by 18 months. We also extended the maturity date of our principal bank facilities from June 2021 to December 2023. Of our total borrowings, 48% (2018: 18%) falls due in over five years. Our undrawn committed bank borrowing facilities increased by US$300m to US$2,625m.

Foreign exchange translation was a 5% headwind to EPS in the year. This was predominantly due to the Brazilian real, which weakened by 18% relative to the US dollar versus the prior year. Assuming current rates stay the same through FY20, we expect a full-year EBIT headwind of c. 1% due to a weakening in the Brazilian real.

Group financial results

Revenue by region

Year ended 31 March			**Growth %**		
	2019 US$m	**2018[1] US$m**	**Total at actual rates**	**Total at constant rates**	**Organic at constant rates**
North America					
Data	1,468	1,302		13	10
Decisioning	623	560		11	11
B2B	2,091	1,862		12	11
Consumer Services	822	756		9	9
Total ongoing activities	**2,913**	**2,618**	**11**	**11**	**10**
Exited business activities[1]	-	5			
Total North America	**2,913**	**2,623**			
Latin America					
Data	594	668		3	3
Decisioning	113	110		23	23
Total ongoing activities	**707**	**778**	**(9)**	**6**	**6**
Exited business activities	-	-			
Total Latin America	**707**	**778**			
UK and Ireland					
Data	388	376		5	4
Decisioning	262	241		10	10
B2B	650	617		7	7
Consumer Services	163	171		(4)	(4)
Total ongoing activities	**813**	**788**	**3**	**4**	**4**
Exited business activities	6	7			
Total UK and Ireland	**819**	**795**			
EMEA/Asia Pacific					
Data	175	172		4	4
Decisioning	247	216		21	21
Total ongoing activities	**422**	**388**	**9**	**14**	**14**
Exited business activities	-	-			
Total EMEA/Asia Pacific	**422**	**388**			
Total revenue - ongoing activities	**4,855**	**4,572**	**6**	**9**	**9**
Total revenue - exited business activities	6	12			
Revenue	**4,861**	**4,584**	**6**	**9**	

1 Results for 2018 are restated following the adoption of IFRS15, the introduction of new business segments and the reclassification to exited business activities of certain B2B businesses.
See Appendix 1 (page 12) and note 5 to the financial statements (pages 23-25) for definitions of non-GAAP measures.
See Appendix 2 (page 12) for analyses of revenue, Benchmark EBIT and Benchmark EBIT margin from ongoing activities by business segment.

Income statement, earnings and Benchmark EBIT margin analysis

Year ended 31 March	2019 US$m	2018[1] US$m	Growth % Total at actual rates	Growth % Total at constant rates
Benchmark EBIT by geography				
North America	940	821		14
Latin America	231	259		9
UK and Ireland	230	235		(1)
EMEA/Asia Pacific	3	5		152
Benchmark EBIT before Central Activities	**1,404**	**1,320**		**11**
Central Activities - central corporate costs	(98)	(79)		
Benchmark EBIT from ongoing activities	**1,306**	**1,241**	**5**	**10**
Exited business activities[1]	5	6		
Benchmark EBIT	**1,311**	**1,247**	**5**	**10**
Net interest	(113)	(85)		
Benchmark PBT	**1,198**	**1,162**	**3**	**8**
Exceptional items	5	(57)		
Amortisation of acquisition intangibles	(111)	(112)		
Acquisition and disposal expenses	(24)	(20)		
Adjustment to fair value of contingent consideration	(16)	(3)		
Fair value gain on step acquisition	-	4		
Interest on uncertain tax provisions	(14)	(20)		
Financing fair value remeasurements	(81)	(4)		
Profit before tax	**957**	**950**		
Group tax charge	(256)	(136)		
Profit after tax	**701**	**814**		

Benchmark earnings				
Benchmark PBT	**1,198**	**1,162**	**3**	**8**
Benchmark tax charge	306	296		
Total Benchmark earnings	**892**	**866**		
Owners of Experian plc	**886**	**866**	**2**	**8**
Non-controlling interests	6	-		

Benchmark EPS	**US98.0c**	**US94.4c**	**4**	**9**
Basic EPS	US76.9c	US85.4c		
Weighted average number of ordinary shares	904m	917m		

Benchmark EBIT margin - ongoing activities		
North America	32.3%	31.4%
Latin America	32.7%	33.3%
UK and Ireland	28.3%	29.8%
EMEA/Asia Pacific	0.7%	1.3%
Benchmark EBIT margin	**26.9%**	**27.1%**

1 Results for 2018 are restated for IFRS 15, and the reclassification to exited business activities of certain B2B businesses.
See Appendix 1 (page 12) and note 5 to the financial statements (pages 23-25) for definitions of non-GAAP measures.
See Appendix 2 (page 12) for analyses of revenue, Benchmark EBIT and Benchmark EBIT margin from ongoing activities by business segment.

Group financial review

Key statutory measures

We continued to make good financial progress during the year and revenue increased by 6% to US$4,861m (2018: US$4,584m) reflecting the improved underlying performance of ongoing activities.

Operating profit for the year ended 31 March 2019 increased to US$1,162m (2018: US$1,051m). Profit before tax grew to US$957m (2018: US$950m) despite an increase in net finance costs of US$99m. The increase in finance expense is primarily as a result of an increase in non-cash foreign exchange revaluations on Brazilian real intra-Group funding of US$25m, and fair value losses on derivatives.

Cash generated from continuing operations was US$1,283m (2018: US$1,255m) reflecting improved operating performance and movements in working capital. Cash outflow from discontinued operations was US$42m (2018: inflow US$215m) primarily from the divestment of CCM in the prior year. Undrawn committed borrowing facilities were US$2,625m at 31 March 2019, an increase of US$300m from 31 March 2018.

Basic EPS was 76.9 US cents (2018: 85.4 US cents). The decrease in this statutory measure reflects a mix of factors with a higher tax charge, higher finance costs and a lower number of shares in issue as a consequence of our continuing share repurchase programme.

The effective rate of tax based on profit before tax has increased from 14.3% in the year ended 31 March 2018 to 26.8% in the current financial year. The prior year tax charge benefitted from a one-off credit of US$116m following the enacting of the US Tax Cuts and Jobs Act in December 2017.

At 31 March 2019, net assets amounted to US$2,494m (2018: US$2,484m). Capital employed, as defined in note 5(r) to the financial statements, was US$6,026m (2018: US$6,158m).

There was an increase in equity of US$10m from US$2,484m at 31 March 2018 with movements detailed in the Group statement of changes in equity on page 18.

Key movements in equity during the year included:

• Profit for the financial year of US$701m.

• Net currency translation losses of US$176m.

• Remeasurement gains of US$16m in respect of defined benefit pension plans.

• Ordinary dividends of US$410m (2018:US$388m) of which US$391m (2018:US$371m) was paid by a UK subsidiary undertaking which has distributable reserves of US$7,536m (2018: US$3,486m).

• A movement of US$218m in connection with net share purchases.

Comparative information is restated following the adoption of IFRS 15 'Revenue from Contracts with Customers' and the introduction of new business segments.

Foreign exchange rates
Foreign exchange - average rates

The principal exchange rates used to translate total revenue and Benchmark EBIT into the US dollar are shown in the table below.

	2019	2018	Movement against the US dollar
US dollar : Brazilian real	3.79	3.22	(18)%
Pound sterling : US dollar	1.31	1.33	(2)%
Euro : US dollar	1.16	1.17	(1)%
US dollar : Colombian peso	3,025	2,935	(3)%

Foreign exchange - closing rates
The principal exchange rates used to translate assets and liabilities into the US dollar at the year-end dates are shown are shown in the table below.

	2019	2018
US dollar : Brazilian real	3.89	3.31
Pound sterling : US dollar	1.31	1.41
Euro : US dollar	1.12	1.23
US dollar : Colombian peso	3,163	2,794

Risks and uncertainties
The ten principal risks and uncertainties faced by the Group are summarised in note 27 to the financial statements.

Appendices

1. Non-GAAP financial information

We have identified and defined certain measures that we believe assist in understanding the performance of the Group. These measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for any IFRS measures of performance but management has included them as these are considered to be key measures used within the business for assessing performance. Information on certain of our non-GAAP measures is set out below in the further appendices. Definitions of all our non-GAAP measures are given in note 5 to the financial statements.

2. Revenue, Benchmark EBIT and Benchmark EBIT margin by business segment

Year ended 31 March			**Growth %**	
	2019 US$m	**2018[1] US$m**	**Total at constant rates**	**Organic at constant rates**
Revenue				
Data	2,625	2,518	8	7
Decisioning	1,245	1,127	14	14
Business-to-Business	3,870	3,645	10	9
Consumer Services	985	927	6	6
Total - Ongoing activities	**4,855**	**4,572**	**9**	**9**
Exited business activities[2]	6	12	n/a	
Total revenue	**4,861**	**4,584**	**9**	

Benchmark EBIT			
Business-to-Business	1,186	1,126	11
Consumer Services	218	194	12
Total business segments	**1,404**	**1,320**	**11**
Central Activities - central corporate costs	(98)	(79)	n/a
Total - Ongoing activities	**1,306**	**1,241**	**10**
Exited business activities[2]	5	6	n/a
Total Benchmark EBIT	**1,311**	**1,247**	**10**
Benchmark EBIT margin - ongoing activities			
Business-to-Business	30.6%	30.9%	
Consumer Services	22.1%	20.9%	
Total Benchmark EBIT margin	**26.9%**	**27.1%**	

1. Comparative information is restated for IFRS 15, exited business activities and the introduction of new business segments.
2. Exited business activities comprise certain B2B businesses.

New segment and IFRS 15 reconciliation

Year ended 31 March 2018	**Old structure US$m**	**New structure US$m**	**Impact of IFRS 15 US$m**	**2018 US$m**	
Revenue					
Credit Services	2,605				
Decision Analytics	662	2,550	(32)	2,518	Data
Marketing Services	457	1,174	(47)	1,127	Decisioning
Business-to-Business	3,724	3,724	(79)	3,645	Business-to-Business
Consumer Services	926	926	1	927	Consumer Services
Ongoing activities	4,650	4,650	(78)	4,572	Ongoing activities
Exited business activities	12	12	-	12	Exited business activities
Total revenue	**4,662**	**4,662**	**(78)**	**4,584**	Total revenue
Benchmark EBIT					
Business-to-Business	1,170	1,170	(44)	1,126	Business-to-Business
Consumer Services	194	194	-	194	Consumer Services
Ongoing activities	1,364	1,364	(44)	1,320	Ongoing activities
Exited business activities	6	6	-	6	Exited business activities
Total business segments	**1,370**	**1,370**	**(44)**	**1,326**	Total business segments
Central Activities	(79)	(79)	-	(79)	Central Activities
Total Benchmark EBIT	**1,291**	**1,291**	**(44)**	**1,247**	Total Benchmark EBIT

Revenue and Benchmark EBIT have been re-analysed following the reclassification to exited business activities of certain B2B businesses.

3. Reconciliation of Benchmark EBIT to statutory profit before tax

Year ended 31 March	**2019 US$m**	**2018[1] US$m**
Benchmark EBIT from ongoing activities	**1,306**	**1,241**
Exited business activities	5	6
Benchmark EBIT	**1,311**	**1,247**
Net interest expense	(113)	(85)
Benchmark PBT	**1,198**	**1,162**
Exceptional items (Appendix 4)	5	(57)
Other adjustments made to derive Benchmark PBT (Appendix 4)	(246)	(155)
Profit before tax	**957**	**950**

1. Comparative information is restated for IFRS 15 and has been re-analysed following the reclassification to exited business activities of certain B2B businesses.

4. Exceptional items and other adjustments made to derive Benchmark PBT

Year ended 31 March	**2019 US$m**	**2018 US$m**
Exceptional items:		
Profit on disposal of businesses	(5)	-
Canadian legal settlement	-	32
Legal provisions movements	-	25
(Credit)/charge for Exceptional items	**(5)**	**57**
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	111	112
Acquisition and disposal expenses	24	20
Adjustment to the fair value of contingent consideration	16	3
Interest on uncertain tax provisions	14	20
Fair value gain on step acquisition	-	(4)
Financing fair value remeasurements	81	4
Charge for other adjustments made to derive Benchmark PBT	**246**	**155**
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT	**241**	**212**

An explanation of the reasons for the exclusion of such items from our definition of Benchmark PBT is given in note 5 to the financial statements.

5. Cash flow and Net debt summary

Year ended 31 March	2019 US$m	2018 US$m
Benchmark EBIT[1]	1,311	1,247
Amortisation and depreciation charged to Benchmark PBT	326	326
Net capital expenditure (Appendix 6)	(431)	(422)
Increase in working capital[1]	(26)	(26)
Loss/(profit) retained in associates	3	(5)
Charge for share incentive plans	87	76
Benchmark operating cash flow	**1,270**	**1,196**
Net interest paid	(129)	(86)
Tax paid - continuing operations	(233)	(191)
Dividends paid to non-controlling interests	(1)	(4)
Benchmark free cash flow	**907**	**915**
Acquisitions	(95)	(169)
Purchase of investments	(30)	(87)
Disposal of businesses and investments - continuing operations	12	2
Exceptional items other than disposal of businesses	(25)	(54)
Ordinary dividends paid	(410)	(388)
Net cash inflow - continuing operations	**359**	**219**
Net debt at 1 April	(3,408)	(3,173)
Net share purchases	(215)	(565)
Discontinued operations	(42)	215
Foreign exchange and other movements	31	(104)
Net debt at 31 March	**(3,275)**	**(3,408)**

1. Comparative restated for IFRS 15

6. Reconciliation of total investment

Year ended 31 March	2019 US$m	2018 US$m
Capital expenditure as reported in the Group cash flow statement	439	431
Disposal of property, plant and equipment	(13)	(26)
Profit on disposal of fixed assets	5	17
Net capital expenditure as reported in the Cash flow and Net debt summary	**431**	**422**
Acquisitions	95	169
Purchase of investments	30	87
Total investment	**556**	**678**

7. Cash tax reconciliation

Year ended 31 March	2019 %	2018[1] %
Tax charge on Benchmark PBT	25.5	25.5
Tax relief on intangible assets	(4.1)	(5.0)
Benefit of brought forward tax losses	(1.3)	(1.2)
Other	(0.7)	(2.9)
Tax paid as a percentage of Benchmark PBT	**19.4**	**16.4**

1. Restated for IFRS 15

Group income statement

for the year ended 31 March 2019

	2019			2018 (Restated) (Note 3)		
	Benchmark[1]	Non-benchmark[2]	**Statutory Total**	Benchmark[1]	Non-benchmark[2]	**Statutory Total**
	US$m	US$m	**US$m**	US$m	US$m	**US$m**
Revenue (note 6(a))	4,861	-	**4,861**	4,584	-	**4,584**
Labour costs	(1,795)	(3)	**(1,798)**	(1,695)	(7)	**(1,702)**
Data and information technology costs	(645)	-	**(645)**	(595)	-	**(595)**
Amortisation and depreciation charges	(326)	(111)	**(437)**	(326)	(112)	**(438)**
Marketing and customer acquisition	(342)	-	**(342)**	(328)	-	**(328)**

costs						
Other operating charges	(445)	(37)	**(482)**	(401)	(69)	**(470)**
Total operating expenses	(3,553)	(151)	**(3,704)**	(3,345)	(188)	**(3,533)**
Profit on disposal of businesses	-	5	**5**	-	-	-
Operating profit/(loss)	1,308	(146)	**1,162**	1,239	(188)	**1,051**
Interest income	12	-	**12**	15	-	**15**
Finance expense	(125)	(95)	**(220)**	(100)	(24)	**(124)**
Net finance costs (note 9(a))	(113)	(95)	**(208)**	(85)	(24)	**(109)**
Share of post-tax profit of associates	3	-	**3**	8	-	**8**
Profit/(loss) before tax (note 6(a))	1,198	(241)	**957**	1,162	(212)	**950**
Group tax (charge)/credit (note 10(a))	(306)	50	**(256)**	(296)	160	**(136)**
Profit/(loss) for the financial year from continuing operations	892	(191)	**701**	866	(52)	**814**
Loss for the financial year from discontinued operations (note 11(a))	-	-	**-**	-	(31)	**(31)**
Profit/(loss) for the financial year	892	(191)	**701**	866	(83)	**783**
Attributable to:						
Owners of Experian plc	886	(191)	**695**	866	(83)	**783**
Non-controlling interests	6	-	**6**	-	-	**-**
Profit/(loss) for the financial year	892	(191)	**701**	866	(83)	**783**
Total Benchmark EBIT[1]	1,311	-	**1,311**	1,247	-	**1,247**
	US cents	US cents	**US cents**	US cents	US cents	**US cents**
Earnings/(loss) per share (note 12(a))						
Basic	98.0	(21.1)	**76.9**	94.4	(9.0)	**85.4**
Diluted	96.9	(20.9)	**76.0**	93.5	(8.9)	**84.6**
Earnings/(loss) per share from continuing operations (note 12(a))						
Basic	98.0	(21.1)	**76.9**	94.4	(5.6)	**88.8**
Diluted	96.9	(20.9)	**76.0**	93.5	(5.6)	**87.9**
Benchmark PBT per share[1,3]	132.5			126.7		
Full-year dividend per share[1]			**46.50**			**44.75**

1. Total Benchmark EBIT, Benchmark PBT per share and Full-year dividend per share are non-GAAP measures, defined where appropriate in note 5 to the financial statements.

2. The loss before tax for non-benchmark items of US$241m (2018: US$212m) comprises a credit for Exceptional items of US$5m (2018: charge of US$57m) and charges for other adjustments made to derive Benchmark PBT of US$246m (2018: US$155m). Further information is given in note 8 to the financial statements.

3. Benchmark PBT per share is calculated by dividing Benchmark PBT of US$1,198m by the weighted average number of ordinary shares of 904 million. The amount is stated in US cents per share.

The segmental disclosures in notes 6 and 7 indicate the impact of business disposals on the comparative revenue and Total Benchmark EBIT figures.

Group statement of comprehensive income

for the year ended 31 March 2019

	2019	2018 (Restated) (Note 3)
	US$m	US$m
Profit for the financial year	**701**	783
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurement of post-employment benefit assets and obligations (note 15(b))	**16**	28
Changes in the fair value of financial assets revalued through OCI	**(2)**	-
Deferred tax charge	**(1)**	(6)
Items that will not be reclassified to profit or loss	**13**	22
Items that may be reclassified subsequently to profit or loss:		
Currency translation (losses)/gains	**(179)**	24
Items that may be reclassified subsequently to profit or loss	**(179)**	24
Items reclassified to profit or loss:		
Cumulative currency translation gain in respect of divestments	**3**	-

Other comprehensive income for the financial year[1]	**(163)**	46
Total comprehensive income for the financial year	**538**	829
Attributable to:		
Continuing operations	**533**	860
Discontinued operations[2]	**-**	(31)
Owners of Experian plc	**533**	829
Non-controlling interests	**5**	-
Total comprehensive income for the financial year	**538**	829

1. Amounts reported within Other comprehensive income (OCI) are in respect of continuing operations and, except as reported for post-employment benefit assets and obligations, there is no associated tax. Currency translation items, not reclassified to profit or loss, are recognised in the translation reserve within other reserves. Other items within Other comprehensive income are recognised in retained earnings.

2. The tax credit recognised in respect of discontinued operations in the year was US$nil (2018:US$53m).

Group balance sheet

at 31 March 2019

	Notes	2019 US$m	2018 (Restated) (Note 3) US$m
Non-current assets			
Goodwill		**4,324**	4,452
Other intangible assets	14	**1,474**	1,538
Property, plant and equipment	14	**333**	335
Investments in associates		**122**	125
Deferred tax assets		**147**	140
Post-employment benefit assets	15(a)	**61**	47
Trade and other receivables		**129**	83
Financial assets revalued through OCI[1]		**103**	84
Other financial assets		**154**	194
		6,847	6,998
Current assets			
Trade and other receivables		**1,055**	1,115
Current tax assets		**27**	27
Other financial assets		**9**	4
Cash and cash equivalents	16(f)	**149**	156
		1,240	1,302
Current liabilities			
Trade and other payables		**(1,464)**	(1,494)
Borrowings		**(869)**	(956)
Current tax liabilities		**(313)**	(278)
Provisions		**(41)**	(70)
Other financial liabilities		**(152)**	(86)
		(2,839)	(2,884)
Net current liabilities		**(1,599)**	(1,582)
Total assets less current liabilities		**5,248**	5,416
Non-current liabilities			
Trade and other payables		**(99)**	(103)
Borrowings		**(2,455)**	(2,558)
Deferred tax liabilities		**(132)**	(162)
Post-employment benefit obligations	15(a)	**(55)**	(58)
Other financial liabilities		**(13)**	(51)
		(2,754)	(2,932)
Net assets		**2,494**	2,484
Equity			
Called-up share capital	19	**96**	97
Share premium account	19	**1,559**	1,546
Retained earnings		**18,718**	18,609
Other reserves		**(17,893)**	(17,775)
Attributable to owners of Experian plc		**2,480**	2,477
Non-controlling interests		**14**	7
Total equity		**2,494**	2,484

1. Comparative information previously reported as available-for-sale financial assets is reclassified following the adoption of IFRS 9 (note 3).

Group statement of changes in total equity

for the year ended 31 March 2019

	Called-up share capital (Note 19) US$m	Share premium account (Note 19) US$m	Retained earnings US$m	Other reserves US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 31 March 2018 as previously reported	97	1,546	18,745	(17,771)	**2,617**	7	**2,624**
Adjustment on adoption of IFRS 15	-	-	(136)	(4)	**(140)**	-	**(140)**
Restated at 1 April 2018	97	1,546	18,609	(17,775)	**2,477**	7	**2,484**
Profit for the financial year	-	-	695	-	**695**	6	**701**
Other comprehensive income for the financial year	-	-	16	(178)	**(162)**	(1)	**(163)**
Total comprehensive income for the financial year	-	-	711	(178)	**533**	5	**538**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	87	-	**87**	-	**87**
- shares issued on vesting	-	13	-	-	**13**	-	**13**
- other exercises of share awards and options	-	-	(53)	60	**7**	-	**7**
- related tax credit	-	-	8	-	**8**	-	**8**
- other payments	-	-	(4)	-	**(4)**	-	**(4)**
Purchase and cancellation of own shares	(1)	-	(230)	-	**(231)**	-	**(231)**
Transactions in respect of non-controlling interests	-	-	-	-	**-**	3	**3**
Dividends paid	-	-	(410)	-	**(410)**	(1)	**(411)**
Transactions with owners	(1)	13	(602)	60	(530)	2	(528)
At 31 March 2019	**96**	**1,559**	**18,718**	**(17,893)**	**2,480**	**14**	**2,494**

for the year ended 31 March 2018

	Called-up share capital (Note 19) US$m	Share premium account (Note 19) US$m	Retained earnings US$m	Other reserves US$m	Attributable to owners of Experian plc US$m	Non-controlling interests US$m	Total equity US$m
At 1 April 2017 as previously reported	100	1,530	18,813	(17,804)	**2,639**	12	**2,651**
Adjustment on adoption of IFRS 15	-	-	(104)	-	**(104)**	-	**(104)**
Restated at 1 April 2017	100	1,530	18,709	(17,804)	**2,535**	12	**2,547**
Profit for the financial year[1]	-	-	783	-	**783**	-	**783**
Other comprehensive income for the financial year[1]	-	-	22	24	**46**	-	**46**
Total comprehensive income for the financial year	-	-	805	24	**829**	-	**829**
Transactions with owners:							
Employee share incentive plans:							
- value of employee services	-	-	76	-	**76**	-	**76**
- shares issued on vesting	-	16	-	-	**16**	-	**16**
- other exercises of share awards and options	-	-	(32)	42	**10**	-	**10**
- purchase of shares by employee trusts	-	-	-	(37)	**(37)**	-	**(37)**
- other payments	-	-	(2)	-	**(2)**	-	**(2)**
Purchase and cancellation of own shares	(3)	-	(542)	-	**(545)**	-	**(545)**
Transactions in respect of non-controlling interests	-	-	(17)	-	**(17)**	(1)	**(18)**
Dividends paid	-	-	(388)	-	**(388)**	(4)	**(392)**
Transactions with owners	(3)	16	(905)	5	**(887)**	(5)	**(892)**
At 31 March 2018	**97**	**1,546**	**18,609**	**(17,775)**	**2,477**	**7**	**2,484**

1. Comparative information is restated following the adoption of IFRS 15 (note 3).

Group cash flow statement
for the year ended 31 March 2019

	Notes	**2019** US$m	2018 US$m
Cash flows from operating activities			
Cash generated from operations	16(a)	**1,639**	1,529
Interest paid		**(134)**	(98)
Interest received		**5**	12
Dividends received from associates		**6**	3
Tax paid		**(233)**	(191)
Net cash inflow from operating activities - continuing operations		**1,283**	1,255
Net cash outflow from operating activities - discontinued operations	11(b)	**(42)**	(63)
Net cash inflow from operating activities		**1,241**	1,192
Cash flows from investing activities			
Purchase of other intangible assets	16(d)	**(348)**	(360)
Purchase of property, plant and equipment		**(91)**	(71)
Sale of property, plant and equipment		**13**	26
Purchase of other financial assets		**(25)**	(31)
Acquisition of subsidiaries, net of cash acquired	16(c)	**(72)**	(146)
Purchase of investments in associates		**(5)**	(56)

Disposal of subsidiaries - continuing operations		**12**	2
Net cash flows used in investing activities - continuing operations		**(516)**	(636)
Net cash flows from investing activities - discontinued operations	11(b)	**-**	278
Net cash flows used in investing activities		**(516)**	(358)
Cash flows from financing activities			
Cash inflow in respect of shares issued	16(e)	**13**	16
Cash outflow in respect of share purchases	16(e)	**(228)**	(581)
Other payments on vesting of share awards		**(4)**	(2)
Transactions in respect of non-controlling interests	16(c)	**3**	(8)
New borrowings		**1,035**	864
Repayment of borrowings		**(1,118)**	(653)
Net payments for cross-currency swaps and foreign exchange contracts		**5**	(13)
Net receipts from equity swaps		**3**	1
Dividends paid		**(411)**	(392)
Net cash flows used in financing activities		**(702)**	(768)
Net increase in cash and cash equivalents		**23**	66
Cash and cash equivalents at 1 April		**137**	81
Exchange movements on cash and cash equivalents		**(14)**	(10)
Cash and cash equivalents at 31 March	16(f)	**146**	137

Notes to the financial statements

for the year ended 31 March 2019

1. Corporate information

Experian plc (the Company) is the ultimate parent company of the Experian group of companies (Experian or the Group). Experian is a leading global information services group. The Company is incorporated and registered in Jersey as a public company limited by shares and is resident in Ireland. The Company's ordinary shares are traded on the London Stock Exchange's Regulated Market and have a Premium Listing.

2. Basis of preparation

The financial information set out in this preliminary announcement does not constitute the Group's statutory financial statements, which comprise the Annual Report and audited financial statements, for the years ended 31 March 2019 or 31 March 2018 but is derived from the statutory financial statements for the year ended 31 March 2019. The Group's statutory financial statements for the year ended 31 March 2019 will be made available to shareholders in June 2019 and delivered to the Jersey Registrar of Companies in due course. The auditor has reported on those financial statements and has given an unqualified report which does not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991. The Group's statutory financial statements for the year ended 31 March 2018 have been delivered to the Jersey Registrar of Companies. The auditor reported on those financial statements and gave an unqualified report which did not contain a statement under Article 111(2) or Article 111(5) of the Companies (Jersey) Law 1991.

The Group's statutory financial statements for the year ended 31 March 2019 have been:

- prepared in accordance with the Companies (Jersey) Law 1991 and International Financial Reporting Standards (IFRS or IFRSs) as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together EU-IFRS);
- prepared on the going concern basis and under the historical cost convention, as modified for the revaluation of certain financial assets and financial liabilities;
- presented in US dollars, the most representative currency of the Group's operations, and generally rounded to the nearest million;
- prepared using the principal exchange rates set out on page 11; and
- designed to voluntarily include disclosures in line with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS.

Other than those disclosed in this preliminary announcement, no significant events impacting the Group have occurred between 31 March 2019 and 14 May 2019 when this preliminary announcement was approved for issue.

This preliminary announcement has been prepared in accordance with the Listing Rules of the UK Financial Conduct Authority, using the accounting policies applied in the preparation of the Group's statutory financial statements for the year ended 31 March 2019. Those policies were published in full in the Group's statutory financial statements for the year ended 31 March 2018 and are available on a corporate website, at www.experianplc.com.

3. Changes in accounting standards

In the year ended 31 March 2019, IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' were effective for us for the first time.

(a) IFRS 9

IFRS 9 'Financial Instruments' replaces the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

We have performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and have concluded that there is no significant financial impact from the date of adoption on these financial statements. We have applied the classification and impairment changes retrospectively, however we have taken advantage of the transitional provisions in IFRS 9 allowing no restatement of comparative information for prior periods.

The new categories of financial assets as defined in IFRS 9 have been adopted and hence, the former available-for-sale financial asset category has been reclassified to 'Financial assets revalued through OCI'. There has been no consequent change to financial asset values. Following this reclassification, any gains or losses arising upon the subsequent disposal of these assets will no longer be recycled to the income statement and instead will remain within OCI.

Notes to the financial statements (continued)

for the year ended 31 March 2019

3. Changes in accounting standards (continued)

(a) IFRS 9 (continued)

For trade receivables and certain IFRS 15 contract assets, we have adopted the standard's simplified lifetime expected credit loss approach. Expected credit losses are determined using a combination of historical experience and forward-looking information. There is no significant impact to impairment provisions as a result of the change in impairment model.

Cross-currency swaps and interest rate swaps in hedge accounting relationships as at 31 March 2018 still qualify as fair value hedges under IFRS 9. The Group's risk management strategies and hedge documentation are aligned with the requirements of IFRS 9 and these relationships are therefore treated as continuing hedges.

(b) IFRS 15

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised. IFRS 15 replaces all existing revenue requirements in EU-IFRS. We have undertaken a detailed review of our contracts and revenue recognition procedures and have evaluated the additional disclosure requirements that IFRS 15 introduces.

In accordance with the IFRS 15 transition guidance we have adopted the new rules using the full retrospective approach and have restated our comparative financial results where appropriate.

IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principles-based five-step revenue recognition model to be applied to all sales contracts. In implementing IFRS 15, the primary effect is in relation to certain contracts which are predominantly in the Business-to-Business business segment. The contracts affected represent less than 15% of Group revenue, with the effect being a change in the period in which multi-year revenue is recognised.

The key change for the Group under IFRS 15 is the introduction of the concept of separately identifiable performance obligations, and recognising revenue when these have been met, and the customer takes control. It therefore results in fewer of our services being separated or unbundled. The largest impacts are in the following areas:

- Software licence and delivery services are primarily accounted for as a single performance obligation, with revenue recognised when the combined offering is delivered to the customer. There is a new distinction in treatment between Experian-hosted solutions (revenue spread over the contract term) and on-premise software licence arrangements (revenue recognised on delivery completion). For these contracts we generally see a delay in when delivery revenue is recognised compared to the previous accounting treatment.
- Batch data arrangements which include an ongoing update service are apportioned across each delivery to the customer, rather than being apportioned on Experian delivery hours.
- Platform set-up fees across a range of business units are recognised over the contractual life of the wider service provided to the customer, compared to the previous approach of recognition as the set-up is delivered.
- There are a small number of arrangements where we previously concluded that the Group is acting as Principal (recognising revenue and costs on a gross basis) and under IFRS 15 guidance we now determine that we are acting as an Agent (only the fee to which we are entitled for arranging the promised goods/services is recognised as revenue). These presentational changes have no impact on our reported Benchmark EBIT.
- Certain costs are deferred as contract costs and expensed over the period that the related revenue stream is recognised. These costs include sales commissions and labour costs directly relating to an implementation service.

Impact of adoption

The following tables summarise the adjustments to the comparative Group income statement and Group balance sheet. Our Benchmark operating cash flow is not affected by the restatement and on a full-year basis we do not expect a material effect on our growth rates.

Notes to the financial statements (continued)

for the year ended 31 March 2019

3. Changes in accounting standards (continued)

(b) IFRS 15 (continued)

Group income statement	**Year ended 31 March 2018**		
	As originally presented	IFRS 15 adjustment	**Restated**

	US$m	US$m	**US$m**
Revenue	4,662	(78)	**4,584**
Total operating expenses	(3,567)	34	**(3,533)**
Operating profit/(loss)	1,095	(44)	**1,051**
Interest income	15	-	**15**
Finance expense	(124)	-	**(124)**
Net finance costs	(109)	-	**(109)**
Share of post-tax profit of associates	8	-	**8**
Profit/(loss) before tax	994	(44)	**950**
Group tax (charge)/credit	(149)	13	**(136)**
Profit/(loss) for the financial year from continuing operations	845	(31)	**814**
Loss for the financial year from discontinued operations	(30)	(1)	**(31)**
Profit/(loss) for the financial year	815	(32)	**783**
Attributable to:			
Owners of Experian plc	815	(32)	**783**
Non-controlling interests	-	-	**-**
Profit/(loss) for the financial year	815	(32)	**783**
Total Benchmark EBIT[1]	1,291	(44)	**1,247**

1. Total Benchmark EBIT is a non-GAAP measure, defined in note 5.

Group balance sheet (extract)	**At 31 March 2018**		
	As originally presented US$m	IFRS 15 adjustment US$m	**Restated US$m**
Non-current assets			
Trade and other receivables	11	72	**83**
Current assets			
Trade and other receivables	1,112	3	**1,115**
Current liabilities			
Trade and other payables	(1,294)	(200)	**(1,494)**
Non-current liabilities			
Trade and other payables	(44)	(59)	**(103)**
Deferred tax liabilities	(206)	44	**(162)**
Other	3,045	-	**3,045**
Net assets	2,624	(140)	**2,484**
Equity			
Retained earnings	18,745	(136)	**18,609**
Other reserves[2]	(17,771)	(4)	**(17,775)**
Other[3]	1,650	-	**1,650**
Total equity	**2,624**	**(140)**	2,484

2. IFRS 15 adjustments comprise currency translation reported within Other comprehensive income.

3. The impact of IFRS 15 on total equity was previously reported at US$134m, following further review of customer contracts this amount has been refined to US$140m.

Notes to the financial statements (continued)

for the year ended 31 March 2019

4. Recent accounting developments

There are a number of new standards and amendments to existing standards currently in issue but not yet effective, including one significant standard IFRS 16 'Leases' endorsed by the EU and effective for us for the year ending 31 March 2020.

IFRS 16

IFRS 16 removes the distinction between finance and operating leases, bringing the majority of leases onto the balance sheet for the first time. As a lessee, we will be required to recognise both a right-of-use asset and a lease liability on our balance sheet, increasing both assets and financial liabilities.

Over the life of a lease, the total expense recognised in the Group income statement will remain unchanged. Upon implementation however, there will be a reduction in operating costs and an increase in net finance costs as operating lease costs are replaced with depreciation and lease interest expense. Based on the current lease portfolio at 1 April 2019, depreciation in the year ending 31 March 2020 is expected to be approximately US$48m and the lease interest expense is expected to be approximately US$10m, offset by a reduction in other operating charges of US$58m.

At 31 March 2019 the Group has non-cancellable operating lease commitments of US$254m. As a result of applying IFRS 16, we expect to recognise right-of-use assets of approximately US$200m on 1 April 2019, matching a newly recognised lease liability.

IFRS 16 contains exemptions for low value assets and short-term leases, of which we are choosing only to apply the exemption for low value assets. Of the FY19 commitments disclosed, approximately US$10m relates to low value leases which will be recognised, on a straight-line basis, as an expense in the Group income statement. Short-term leases of approximately US$1m will be included in the right-of-use asset on transition.

In addition, US$13m of deferred lease incentives on the balance sheet at 31 March 2019 will be consolidated into the lease liability in FY20. We expect that the impact on net profit after tax for FY20 as a result of adopting the new standard will be immaterial.

The total cash outflow for lease payments is not expected to change but certain lease payments will be presented within net cash flows used in financing activities, instead of the current treatment within cash flows from operating activities. This improves our cash flow from operating activities, and increases cash flows used in financing activities.

We intend to apply the modified retrospective approach which allows matching of the opening right-of-use asset with the opening lease liability on 1 April 2019. Under this approach no restatement of comparative information is required.

There are no other new standards, amendments to existing standards or interpretations that are not yet effective that would be expected to have a material impact on the Group. Such developments are routinely reviewed by the Group and its financial reporting systems are adapted as appropriate.

5. Use of non-GAAP measures in the financial statements

As detailed below, the Group has identified and defined certain measures that it uses to understand and manage its performance. The measures are not defined under IFRS and they may not be directly comparable with other companies' adjusted measures. These non-GAAP measures are not intended to be a substitute for any IFRS measures of performance but management has included them as they consider them to be key measures used within the business for assessing the underlying performance of the Group's ongoing businesses.

(a) Benchmark profit before tax (Benchmark PBT) (note 6(a))

Benchmark PBT is disclosed to indicate the Group's underlying profitability. It is defined as profit before amortisation and impairment of acquisition intangibles, impairment of goodwill, acquisition expenses, adjustments to contingent consideration, Exceptional items, financing fair value remeasurements, tax (and interest thereon) and discontinued operations. It includes the Group's share of continuing associates' post-tax results.

An explanation of the basis on which we report Exceptional items is provided below. Other adjustments made to derive Benchmark PBT are explained as follows:

- Charges for the amortisation and impairment of acquisition intangibles are excluded from the calculation of Benchmark PBT because these charges are based on judgments about their value and economic life and bear no relation to the Group's underlying ongoing performance. Impairment of goodwill is similarly excluded from the calculation of Benchmark PBT.

Notes to the financial statements (continued)

for the year ended 31 March 2019

5. Use of non-GAAP measures in the financial statements (continued)

(a) Benchmark profit before tax (Benchmark PBT) (note 6(a)) (continued)

- Acquisition and disposal expenses (representing the incidental costs of acquisitions and disposals, one-time integration costs and other corporate transaction expenses) relating to successful, active or aborted acquisitions and disposals are excluded from the definition of Benchmark PBT as they bear no relation to the Group's underlying ongoing performance or to the performance of any acquired businesses. Adjustments to contingent consideration are similarly excluded from the definition of Benchmark PBT.
- Charges and credits for financing fair value remeasurements within finance expense in the Group income statement are excluded from the definition of Benchmark PBT. These include retranslation of intra-Group funding, and that element of the Group's derivatives that is ineligible for hedge accounting, together with gains and losses on put options in respect of acquisitions. Amounts recognised generally arise from market movements and accordingly bear no direct relation to the Group's underlying performance.

(b) Benchmark earnings before interest and tax (Benchmark EBIT) and margin (Benchmark EBIT margin) (note 6(a))

Benchmark EBIT is defined as Benchmark PBT before the net interest expense charged therein and accordingly excludes Exceptional items as defined below. Benchmark EBIT margin is Benchmark EBIT from ongoing activities expressed as a percentage of revenue from ongoing activities.

(c) Benchmark earnings before interest, tax, depreciation and amortisation (Benchmark EBITDA)

Benchmark EBITDA is defined as Benchmark EBIT before the depreciation and amortisation charged therein.

(d) Exited business activities

Exited business activities are businesses sold, closed or identified for closure during a financial year. These are treated as exited business activities for both revenue and Benchmark EBIT purposes. The results of exited business activities are disclosed separately with the results of the prior period re-presented in the segmental analyses as appropriate. This measure differs from the definition of discontinued operations in IFRS 5.

(e) Ongoing activities

The results of businesses trading at 31 March 2019, which are not disclosed as exited business activities, are reported as ongoing activities.

(f) Constant exchange rates

To highlight our organic performance, we discuss our results in terms of growth at constant exchange rates, unless otherwise stated. This represents growth calculated after translating both years' performance at the prior year's average exchange rates.

(g) Total growth (note 6(d))

This is the year-on-year change in the performance of our activities at actual exchange rates. Total growth at constant exchange rates removes the translational foreign exchange effects arising on the consolidation of our activities and comprises one of our measures of performance at constant exchange rates.

(h) Organic revenue growth (note 6(d))

This is the year-on-year change in the revenue of ongoing activities, translated at constant exchange rates, excluding acquisitions until the first anniversary of their consolidation.

(i) Benchmark earnings and Total Benchmark earnings (note 12)

Benchmark earnings comprises Benchmark PBT less attributable tax and non-controlling interests. The attributable tax for this purpose excludes significant tax credits and charges arising in the year which, in view of their size or nature, are not comparable with previous years, together with tax arising on Exceptional items and on other adjustments made to derive Benchmark PBT. Benchmark PBT less attributable tax is designated as Total Benchmark earnings.

(j) Benchmark earnings per share (Benchmark EPS) (note 12(a))

Benchmark EPS comprises Benchmark earnings divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

Notes to the financial statements (continued)

for the year ended 31 March 2019

5. Use of non-GAAP measures in the financial statements (continued)

(k) Benchmark PBT per share

Benchmark PBT per share comprises Benchmark PBT divided by the weighted average number of issued ordinary shares, as adjusted for own shares held.

(l) Benchmark tax charge and rate (note 10(b))

The Benchmark tax charge is the tax charge applicable to Benchmark PBT. It differs from the Group tax charge by tax attributable to Exceptional items and other adjustments made to derive Benchmark PBT, and exceptional tax charges. A reconciliation is provided in note 10(b) to these financial statements. The Benchmark effective rate of tax is calculated by dividing the Benchmark tax charge by Benchmark PBT.

(m) Exceptional items (note 8(a))

The separate reporting of Exceptional items gives an indication of the Group's underlying performance. Exceptional items include those arising from the profit or loss on disposal of businesses, closure costs of major business units, costs of significant restructuring programmes and other financially significant one-off items. All other restructuring costs are charged against Benchmark EBIT, in the segments in which they are incurred.

(n) Full-year dividend per share (note 13)

Full-year dividend per share comprises the total of dividends per share announced in respect of the financial year.

(o) Benchmark operating and Benchmark free cash flow

Benchmark operating cash flow is Benchmark EBIT plus amortisation, depreciation and charges in respect of share-based incentive plans, less capital expenditure net of disposal proceeds and adjusted for changes in working capital and the profit or loss retained in continuing associates. Benchmark free cash flow is derived from Benchmark operating cash flow by excluding net interest, tax paid in respect of continuing operations and dividends paid to non-controlling interests.

(p) Cash flow conversion

Cash flow conversion is Benchmark operating cash flow expressed as a percentage of Benchmark EBIT.

(q) Net debt and Net funding (note 17)

Net debt is borrowings (and the fair value of derivatives hedging borrowings) excluding accrued interest, less cash and cash equivalents and other highly liquid bank deposits with original maturities greater than three months. Net funding is borrowings (and the fair value of the effective portion of derivatives hedging borrowings) excluding accrued interest, less cash held in Group Treasury.

(r) Return on capital employed (ROCE)

ROCE is defined as Benchmark EBIT less tax at the Benchmark rate divided by a three-point average of capital employed, in continuing operations, over the year. Capital employed is net assets less non-controlling interests, further adjusted to add or deduct the net tax liability or asset and to add Net debt.

Notes to the financial statements (continued)

for the year ended 31 March 2019

6. Segment information

IFRS 8 disclosures

(a) Income statement

Year ended 31 March 2019	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	**2,913**	**707**	**813**	**422**	**4,855**	**-**	**4,855**
Exited business activities	**-**	**-**	**6**	**-**	**6**	**-**	**6**
Total	**2,913**	**707**	**819**	**422**	**4,861**	**-**	**4,861**
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	**940**	**231**	**230**	**3**	**1,404**	**(98)**	**1,306**
Exited business activities	**-**	**-**	**5**	**-**	**5**	**-**	**5**
Total	**940**	**231**	**235**	**3**	**1,409**	**(98)**	**1,311**
Net interest expense included in Benchmark PBT (note 9(b))	**-**	**-**	**-**	**-**	**-**	**(113)**	**(113)**
Benchmark PBT	**940**	**231**	**235**	**3**	**1,409**	**(211)**	**1,198**
Exceptional items (note 8(a))	**-**	**(4)**	**9**	**-**	**5**	**-**	**5**
Amortisation of acquisition intangibles	**(80)**	**(18)**	**(9)**	**(4)**	**(111)**	**-**	**(111)**
Acquisition and disposal expenses	**(8)**	**-**	**(9)**	**(7)**	**(24)**	**-**	**(24)**
Adjustment to the fair value of contingent consideration	**(14)**	**-**	**(2)**	**-**	**(16)**	**-**	**(16)**
Interest on uncertain tax provisions	**-**	**-**	**-**	**-**	**-**	**(14)**	**(14)**
Financing fair value remeasurements	**-**	**-**	**-**	**-**	**-**	**(81)**	**(81)**
Profit/(loss) before tax	**838**	**209**	**224**	**(8)**	**1,263**	**(306)**	**957**

Year ended 31 March 2018	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific[1] US$m	Total operating segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers							
Ongoing activities	2,618	778	788	388	4,572	-	4,572
Exited business activities	5	-	7	-	12	-	12
Total	2,623	778	795	388	4,584	-	4,584
Reconciliation from Benchmark EBIT to profit/(loss) before tax							
Benchmark EBIT							
Ongoing activities	821	259	235	5	1,320	(79)	1,241
Exited business activities	1	-	5	-	6	-	6
Total	822	259	240	5	1,326	(79)	1,247
Net interest expense included in Benchmark PBT (note 9(b))	-	-	-	-	-	(85)	(85)
Benchmark PBT	822	259	240	5	1,326	(164)	1,162
Exceptional items (note 8(a))	(57)	-	-	-	(57)	-	(57)
Amortisation of acquisition intangibles	(79)	(20)	(9)	(4)	(112)	-	(112)
Acquisition expenses	(13)	-	(5)	(2)	(20)	-	(20)
Adjustment to the fair value of contingent consideration	-	-	(3)	-	(3)	-	(3)
Fair value gain on step acquisition	-	-	4	-	4	-	4
Interest on uncertain tax provisions	-	-	-	-	-	(20)	(20)
Financing fair value remeasurements	-	-	-	-	-	(4)	(4)
Profit/(loss) before tax	673	239	227	(1)	1,138	(188)	950

1. EMEA/Asia Pacific represents all other operating segments.
2. The results for the year ended 31 March 2018 have been restated following the adoption of IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

A profit before tax of US$22m arose in the year ended 31 March 2018 in respect of discontinued operations. Further information on such operations which comprise the Group's email/cross-channel marketing business (CCM), is given in note 11.

Additional information by operating segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 9.

Notes to the financial statements (continued)

for the year ended 31 March 2019

6. Segment information (continued)

(b) Revenue by country- continuing operations

	2019 US$m	2018 (Restated) (Note 3) US$m
USA	**2,910**	2,618

UK	**810**	789
Brazil	**618**	699
Colombia	**71**	66
Other	**452**	412
	4,861	4,584

Revenue is primarily attributable to countries other than Ireland. No single client accounted for 10% or more of revenue in the current or prior year. Revenue from the USA, the UK and Brazil in aggregate comprises 89% (2018: 90%) of Group revenue.

(c) Revenue by business segment

The additional analysis of revenue from external customers provided to the chief operating decision-maker and accordingly reportable under IFRS 8 is given within note 7. This is supplemented by voluntary disclosure of the profitability of groups of service lines. For ease of reference, we continue to use the term 'business segments' when discussing the results of groups of service lines.

(d) Reconciliation of revenue from ongoing activities

	North America US$m	Latin America US$m	UK and Ireland US$m	EMEA/ Asia Pacific US$m	Total ongoing activities US$m
Revenue for the year ended 31 March 2018 (Restated) (Note 3)	2,618	778	788	388	**4,572**
Adjustment to constant exchange rates	-	(2)	3	(1)	**-**
Revenue at constant exchange rates for the year ended 31 March 2018	2,618	776	791	387	**4,572**
Organic revenue growth	264	49	33	53	**399**
Revenue from acquisitions	31	-	1	-	**32**
Revenue at constant exchange rates for the year ended 31 March 2019	2,913	825	825	440	**5,003**
Adjustments to actual exchange rates	-	(118)	(12)	(18)	**(148)**
Revenue for the year ended 31 March 2019	**2,913**	**707**	**813**	**422**	**4,855**
Organic revenue growth at constant rates	10%	6%	4%	14%	**9%**
Total revenue growth at constant rates	11%	6%	4%	14%	**9%**

The above table demonstrates the application of the methodology set out in note 5 in determining organic and total revenue growth at constant exchange rates. Revenue at constant exchange rates for both years is reported using the average exchange rates applicable for the year ended 31 March 2018.

Notes to the financial statements (continued)

for the year ended 31 March 2019

7. Information on business segments (including non-GAAP disclosures)

Year ended 31 March 2019	**Business-to-Business US$m**	**Consumer Services US$m**	**Total business segments US$m**	**Central Activities US$m**	**Total continuing operations US$m**
Revenue from external customers					
Ongoing activities	3,870	985	**4,855**	-	**4,855**
Exited business activities	6	-	**6**	-	**6**
Total	3,876	985	**4,861**	-	**4,861**
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	1,186	218	**1,404**	(98)	**1,306**
Exited business activities	5	-	**5**	-	**5**
Total	1,191	218	**1,409**	(98)	**1,311**
Net interest expense included in Benchmark PBT (note 9(b))	-	-	**-**	(113)	**(113)**
Benchmark PBT	1,191	218	**1,409**	(211)	**1,198**
Exceptional items (note 8(a))	5	-	**5**	-	**5**
Amortisation of acquisition intangibles	(92)	(19)	**(111)**	-	**(111)**
Acquisition and disposal expenses	(13)	(11)	**(24)**	-	**(24)**
Adjustment to the fair value of contingent consideration	(16)	-	**(16)**	-	**(16)**
Interest on uncertain tax provisions	-	-	**-**	(14)	**(14)**
Financing fair value remeasurements	-	-	**-**	(81)	**(81)**
Profit/(loss) before tax	1,075	188	**1,263**	(306)	**957**

Year ended 31 March 2018	Business-to-Business US$m	Consumer Services US$m	Total business segments US$m	Central Activities US$m	Total continuing operations US$m
Revenue from external customers					
Ongoing activities	3,645	927	4,572	-	4,572
Exited business activities	12	-	12	-	12
Total	3,657	927	4,584	-	4,584
Reconciliation from Benchmark EBIT to profit/(loss) before tax					
Benchmark EBIT					
Ongoing activities	1,126	194	1,320	(79)	1,241
Exited business activities	6	-	6	-	6
Total	1,132	194	1,326	(79)	1,247
Net interest expense included in Benchmark PBT (note 9(b))	-	-	-	(85)	(85)
Benchmark PBT	1,132	194	1,326	(164)	1,162
Exceptional items (note 8(a))	(57)	-	(57)	-	(57)

Amortisation of acquisition intangibles	(93)	(19)	(112)	-	(112)
Acquisition expenses	(12)	(8)	(20)	-	(20)
Adjustment to the fair value of contingent consideration	(3)	-	(3)	-	(3)
Fair value gain on step acquisitions	4	-	4	-	4
Interest on uncertain tax provisions	-	-	-	(20)	(20)
Financing fair value remeasurements	-	-	-	(4)	(4)
Profit/(loss) before tax	971	167	1,138	(188)	950

1. Additional information by business segment, including that on total and organic growth at constant exchange rates, is provided within pages 3 to 9 and within Appendix 2 on page 12.
2. The results for the year ended 31 March 2018 have been restated following the adoption of IFRS 15 and the reclassification to exited business activities of certain B2B businesses.

A profit before tax of US$22m arose in the year ended 31 March 2018 in respect of discontinued operations. Further information on such operations which comprise CCM, is given in note 11.

Notes to the financial statements (continued)

for the year ended 31 March 2019

8. Exceptional items and other adjustments made to derive Benchmark PBT - continuing operations

(a) Net charge for Exceptional items and other adjustments made to derive Benchmark PBT

	2019 US$m	2018 US$m
Exceptional items:		
Profit on disposal of businesses (note 8(b))	**(5)**	-
Canadian legal settlement (note 8(c))	**-**	32
Legal provisions movements (note 8(d))	**-**	25
(Credit)/charge for Exceptional items	**(5)**	57
Other adjustments made to derive Benchmark PBT:		
Amortisation of acquisition intangibles	**111**	112
Acquisition and disposal expenses	**24**	20
Adjustment to the fair value of contingent consideration	**16**	3
Interest on uncertain tax provisions	**14**	20
Fair value gain on step acquisition	**-**	(4)
Financing fair value remeasurements	**81**	4
Charge for other adjustments made to derive Benchmark PBT	**246**	155
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT	**241**	212
By income statement caption:		
Labour costs	**3**	7
Amortisation and depreciation charges	**111**	112
Other operating charges	**37**	69
Profit on disposal of businesses	**(5)**	-
Within operating profit	**146**	188
Finance expense (note 9(a))	**95**	24
Net charge for Exceptional items and other adjustments made to derive Benchmark PBT	**241**	212

Acquisition and disposal expenses represent professional fees and expenses associated with completed, ongoing and terminated acquisition and disposal processes, as well as the integration and separation costs associated with completed deals.

(b) **Profit on disposal of businesses**
The profit before tax on the disposal of businesses in the year ended 31 March 2019 related to the disposal of two small businesses, one based in the UK and Ireland region and one in Latin America.

(c) Canadian legal settlement
During the year ended 31 March 2018, we settled a contractual dispute in Canada that arose following a 2008 sales process in our now divested BakerHill business. All costs relating to the dispute were paid in that year.

(d) Legal provisions movements

During the year ended 31 March 2018, we paid US$7m of legal fees and increased provisions by a further net US$18m in respect of a number of related legal claims.

9. Net finance costs

(a) Net finance costs included in profit before tax

	2019 US$m	2018 US$m
Interest income:		
Bank deposits, short-term investments and loan notes	**(12)**	(15)
Interest income	**(12)**	(15)
Finance expense:		
Interest expense	**125**	100
Charge in respect of financing fair value remeasurements	**81**	4
Interest on uncertain tax provisions	**14**	20
Finance expense	**220**	124

Net finance costs included in profit before tax	**208**	109

Notes to the financial statements (continued)

for the year ended 31 March 2019

9. Net finance costs (continued)

(b) Net interest expense included in Benchmark PBT

	2019 US$m	2018 US$m
Interest income	**(12)**	(15)
Interest expense	**125**	100
Net interest expense included in Benchmark PBT	**113**	85

10. Tax - ongoing activities

(a) Group tax charge and effective rate of tax

	2019 US$m	2018 (Restated) (Note 3) US$m
Group tax charge	**256**	136
Profit before tax	**957**	950
Effective rate of tax based on profit before tax	**26.8%**	14.3%

In the normal course of business, the Group has a number of open tax returns with various tax authorities with whom it is in active dialogue. At 31 March 2019 the Group held current provisions of US$293m (2018: US$301m) in respect of uncertain tax positions. Liabilities relating to these open and judgmental matters are based on an assessment as to whether additional taxes will be due, after taking into account external advice where appropriate. The resolution of these tax matters may take many years. Whilst the timing of developments in resolving these matters is inherently uncertain, the Group does not expect to materially increase its uncertain tax provision in the next 12 months, however if an opportunity arose to resolve the matters for less than the amounts provided, a settlement may be made with a corresponding reduction in the provision.

(b) Reconciliation of the Group tax charge to the Benchmark tax charge

	2019 US$m	2018 (Restated) (Note 3) US$m
Group tax charge	**256**	136
Tax relief on Exceptional items and other adjustments made to derive Benchmark PBT	**46**	53
Exceptional tax items	**4**	107
Benchmark tax charge	**306**	296
Benchmark PBT	**1,198**	1,162
Benchmark tax rate	**25.5%**	25.5%

Exceptional tax items include the movement in the Group's uncertain tax provisions and in the prior year the credit on restatement of deferred tax balances in North America, and the recognition of previously unrecognised tax losses.

(c) Tax recognised in other comprehensive income and directly in equity

In the year ended 31 March 2019, the loss of US$163m (2018 gain of: US$46m) in respect of other comprehensive income is after a deferred tax charge of US$1m (2018: US$6m), relating to remeasurement gains on post-employment benefit assets and obligations.

A tax credit relating to employee share incentive plans of US$8m (2018: US$nil) is recognised in equity and reported as appropriate within transactions with owners. This amount comprises a current tax credit of US$3m and a deferred tax credit of US$5m.

Notes to the financial statements (continued)

for the year ended 31 March 2019

11. Discontinued operations

There have been no material divestments during the year ended 31 March 2019. On 31 May 2017 we completed the divestment of the Group's email/cross-channel marketing business (CCM) and the results and cash flows of that business were accordingly classified as discontinued.

(a) Results for discontinued operations

The results of CCM were:

	2018 (Restated) (Note 3) US$m
Revenue	47
Labour costs	(28)
Data and information technology costs	(8)
Marketing and customer acquisition costs	(1)
Other operating charges	(14)
Total operating expenses	(51)
Separation and transaction related charges	(28)
Loss before tax	(32)
Tax credit	8
Loss after tax of discontinued operations	(24)
Profit on disposal of discontinued operations (note 22(a))	54
Tax charge in respect of disposal	(61)
Loss for the financial year from discontinued operations	(31)

The operating loss for the year ended 31 March 2018 included certain restructuring and one-off costs of separation.

(b) Cash flows for discontinued operations	**2019 US$m**	2018 US$m
Cash outflow from operating activities	**(42)**	(63)
Cash flow from investing activities	**-**	278
	(42)	215

The cash outflow from operating activities of US$42m (2018: US$63m) relates to CCM and is stated after tax paid of US$18m (2018: US$22m). The remaining US$24m (2018: US$41m) relates to restructuring activities provided for at the time of disposal.

The cash flow from investing activities for the year ended 31 March 2018 of US$278m comprised an inflow of US$263m relating to CCM, and an inflow of US$15m which arose from the previous disposal of the comparison shopping and lead generation businesses.

Notes to the financial statements (continued)

for the year ended 31 March 2019

12. Earnings per share disclosures

(a) Earnings per share (EPS)

	Basic		**Diluted**	
	2019 US cents	2018 (Restated) (Note 3) US cents	**2019 US cents**	2018 (Restated) (Note 3) US cents
Continuing and discontinued operations	**76.9**	85.4	**76.0**	84.6
Add: loss from discontinued operations	**-**	3.4	**-**	3.3
Continuing operations	**76.9**	88.8	**76.0**	87.9
Add: other adjustments made to derive Benchmark PBT, net of related tax	**21.1**	5.6	**20.9**	5.6
Benchmark EPS (non-GAAP measure)	**98.0**	94.4	**96.9**	93.5

(b) Analysis of earnings

(i) Attributable to owners of Experian plc

	2019 US$m	2018 (Restated) (Note 3) US$m
Continuing and discontinued operations	**695**	783
Add: loss from discontinued operations	**-**	31
Continuing operations	**695**	814
Add: other adjustments made to derive Benchmark PBT, net of related tax	**191**	52
Benchmark earnings attributable to owners of Experian plc (non-GAAP measure)	**886**	866

(ii) Attributable to non-controlling interests

	2019 US$m	2018 US$m
Continuing and discontinued operations	**6**	-
Add: amortisation of acquisition intangibles attributable to non-controlling interests, net of related tax	**-**	-
Benchmark earnings attributable to non-controlling interests (non-GAAP measure)	**6**	-

(c) Reconciliation of Total Benchmark earnings to profit for the financial year

	2019 US$m	2018 (Restated) (Note 3) US$m

Total Benchmark earnings (non-GAAP measure)	**892**	866
Loss from discontinued operations	**-**	(31)
Loss from other adjustments made to derive Benchmark PBT, net of related tax	**(191)**	(52)
Profit for the financial year	**701**	783

(d) Weighted average number of ordinary shares

	2019 million	2018 million
Weighted average number of ordinary shares	**904**	917
Add: dilutive effect of share incentive awards, options and share purchases	**10**	9
Diluted weighted average number of ordinary shares	**914**	926

Notes to the financial statements (continued)

for the year ended 31 March 2019

13. Dividends

(a) Dividend information

	2019		2018	
	US cents per share	**US$m**	US cents per share	US$m
Amounts recognised and paid during the financial year:				
First interim - paid in February 2019 (2018: February 2018)	**14.00**	**126**	13.50	124
Second interim - paid in July 2018 (2018: July 2017)	**31.25**	**284**	28.50	264
Dividends paid on ordinary shares	**45.25**	**410**	42.00	388
Full-year dividend for the financial year	**46.50**	**419**	44.75	408

A second interim dividend in respect of the year ended 31 March 2019 of 32.5 US cents per ordinary share will be paid on 26 July 2019, to shareholders on the register at the close of business on 27 June 2019. This dividend is not included as a liability in these financial statements. This second interim dividend and the first interim dividend paid in February 2019 comprise the full-year dividend for the financial year of 46.5 US cents per ordinary share.

In the year ended 31 March 2019, the employee trusts waived their entitlements to dividends of US$4m (2018: US$5m). There is no entitlement to dividend in respect of own shares held as treasury shares.

(b) Income Access Share (IAS) arrangements

As its ordinary shares are listed on the London Stock Exchange, the Company has a large number of UK resident shareholders. In order that shareholders may receive Experian dividends from a UK source, should they wish, the IAS arrangements have been put in place. The purpose of the IAS arrangements is to preserve the tax treatment of dividends paid to Experian shareholders in the UK, in respect of dividends paid by the Company. Shareholders who elect, or are deemed to elect, to receive their dividends via the IAS arrangements will receive their dividends from a UK source (rather than directly from the Company) for UK tax purposes.

Shareholders who hold 50,000 or fewer Experian plc shares on the first dividend record date after they become shareholders, unless they elect otherwise, will be deemed to have elected to receive their dividends under the IAS arrangements.

Shareholders who hold more than 50,000 shares and who wish to receive their dividends from a UK source must make an election to receive dividends via the IAS arrangements. All elections remain in force indefinitely unless revoked.

Unless shareholders have made an election to receive dividends via the IAS arrangements, or are deemed to have made such an election, dividends will be received from an Irish source and will be taxed accordingly.

14. Capital expenditure, disposals and capital commitments

During year ended 31 March 2019, the Group incurred capital expenditure of US$439m (2018: US$431m) in continuing operations.

Excluding any amounts in connection with the disposal of businesses, the book value of other intangible fixed assets and property, plant and equipment disposed of in the year ended 31 March 2019 was US$8m (2018: US$9m) and the amount realised was US$13m (2018: US$26m).

At 31 March 2019, the Group had capital commitments in respect of property, plant and equipment and intangible assets and for which contracts had been placed of US$19m (2018: US$27m). These include commitments of US$3m not expected to be incurred before 31 March 2020. Commitments as at 31 March 2018 included commitments of US$8m not then expected to be incurred before 31 March 2019.

Notes to the financial statements (continued)

for the year ended 31 March 2019

15. Post-employment benefits - IAS 19 information

(a) Balance sheet assets/(obligations)

	2019 US$m	2018 US$m
Retirement benefit assets/(obligations) - funded plans:		
Fair value of funded plans' assets	**1,122**	1,180
Present value of funded plans' obligations	**(1,061)**	(1,133)

Assets in the Group balance sheet for funded defined benefit pensions	**61**	47
Obligations for unfunded post-employment benefits:		
Present value of defined benefit pensions - unfunded plans	**(50)**	(53)
Present value of post-employment medical benefits	**(5)**	(5)
Liabilities in the Group balance sheet	**(55)**	(58)
Net post-employment benefit assets/(obligations)	**6**	(11)

Pension assets are deemed to be recoverable and there are no adjustments in respect of minimum funding requirements as, under the Experian Pension Scheme rules, future economic benefits are available to the Group in the form of reductions in future contributions or refunds of surplus.

(b) Movements in net post-employment benefit assets/(obligations) recognised in the Group balance sheet

	2019	2018
	US$m	US$m
At 1 April	**(11)**	(40)
Differences on exchange	**-**	(1)
Charge to Group income statement	**(11)**	(10)
Remeasurement gains recognised within Other comprehensive income	**16**	28
Contributions paid by the Group and employees	**12**	12
At 31 March	**6**	(11)

(c) Income statement charge

	2019	2018
	US$m	US$m
By nature of expense:		
Current service cost	**5**	6
Past service cost	**4**	-
Administration expenses	**2**	2
Charge within labour costs	**11**	8
Charge within operating profit	**11**	8
Interest expense	**-**	2
Total charge to income statement	**11**	10

The past service cost is in respect of Guaranteed Minimum Pension equalisation (2018: US$nil).

(d) Financial actuarial assumptions

	2019	2018
	%	%
Discount rate	**2.3**	2.4
Inflation rate - based on the UK Retail Prices Index (the 'RPI')	**3.2**	3.1
Inflation rate - based on the UK Consumer Prices Index (the 'CPI')	**2.2**	2.1
Increase in salaries	**3.7**	3.6
Increase for pensions in payment - element based on the RPI (where cap is 5%)	**3.0**	2.9
Increase for pensions in payment - element based on the CPI (where cap is 2.5%)	**1.7**	1.7
Increase for pensions in payment - element based on the CPI (where cap is 3%)	**1.9**	1.8
Increase for pensions in deferment	**2.2**	2.1
Inflation in medical costs	**6.2**	6.1

The mortality and other demographic assumptions used at 31 March 2019 remain broadly unchanged from those used at 31 March 2018 and disclosed in the Group's statutory financial statements for the year then ended.

Notes to the financial statements (continued)

for the year ended 31 March 2019

16. Notes to the Group cash flow statement

(a) Cash generated from operations

	Note	**2019**	2018 (Restated) (Note 3)
		US$m	US$m
Profit before tax		**957**	950
Share of post-tax profit of associates		**(3)**	(8)
Net finance costs		**208**	109
Operating profit		**1,162**	1,051
Profit on disposal of fixed assets		**(5)**	(17)
Profit on disposal of businesses		**(5)**	-

Depreciation and amortisation[1]		**437**	438
Charge in respect of share incentive plans		**87**	76
Increase in working capital	16(b)	**(26)**	(26)
Acquisition expenses - difference between income statement charge and amount paid		**(2)**	5
Adjustment to the fair value of contingent consideration		**16**	3
Fair value gain on revaluation of step acquisition		**-**	(4)
Movement in Exceptional items included in working capital		**(25)**	3
Cash generated from operations		**1,639**	1,529

1. Depreciation and amortisation includes amortisation of acquisition intangibles of US$111m (2018: US$112m) which is excluded from Benchmark PBT.

(b) Increase in working capital

	2019 **US$m**	2018 (Restated) (Note 3) US$m
Trade and other receivables	**(65)**	(156)
Trade and other payables	**39**	130
Increase in working capital	**(26)**	(26)

(c) Cash flows on acquisitions (non-GAAP measure)

	Note	**2019** **US$m**	2018 US$m
Purchase of subsidiaries	21(a)	**56**	147
Net cash acquired with subsidiaries		**-**	(6)
Deferred consideration settled		**16**	5
As reported in the Group cash flow statement		**72**	146
Acquisition expenses paid		**26**	15
Transactions in respect of non-controlling interests		**(3)**	8
Cash outflow for acquisitions (non-GAAP measure)		**95**	169

(d) Purchase of other intangible assets

	2019 **US$m**	2018 US$m
Databases	**171**	192
Internally generated software	**156**	129
Internal use software	**21**	39
Purchase of other intangible assets	**348**	360

Notes to the financial statements (continued)

for the year ended 31 March 2019

16. Notes to the Group cash flow statement (continued)

(e) Cash outflow in respect of net share purchases (non-GAAP measure)

	2019 **US$m**	2018 US$m
Issue of ordinary shares	**(13)**	(16)
Purchase of shares by employee trusts	**-**	37
Purchase and cancellation of own shares	**228**	544
Cash outflow in respect of net share purchases (non-GAAP measure)	**215**	565
As reported in the Group cash flow statement:		
Cash inflow in respect of net share purchases	**(13)**	(16)
Cash outflow in respect of net share purchases	**228**	581
Cash outflow in respect of net share purchases (non-GAAP measure)	**215**	565

(f) Analysis of cash and cash equivalents

	2019 **US$m**	2018 US$m
Cash and cash equivalents in the Group balance sheet	**149**	156
Bank overdrafts	**(3)**	(19)
Cash and cash equivalents in the Group cash flow statement	**146**	137

(g) Reconciliation of Cash generated from operations to Benchmark operating cash flow (non-GAAP measure)

	Note	**2019** **US$m**	2018 US$m
Cash generated from operations	16(a)	**1,639**	1,529
Purchase of other intangible assets	16(d)	**(348)**	(360)
Purchase of property, plant and equipment		**(91)**	(71)
Sale of property, plant and equipment		**13**	26
Acquisition expenses paid		**26**	15
Dividends received from associates		**6**	3

Cash flows in respect of Exceptional and other non-benchmark items	**25**	54
Benchmark operating cash flow (non-GAAP measure)	**1,270**	1,196

Benchmark free cash flow for the year ended 31 March 2019 was US$907m (2018: US$915m). Cash flow conversion for the year ended 31 March 2019 was 97% (2018: 96% (restated note 3)).

Notes to the financial statements (continued)

for the year ended 31 March 2019

17. Net debt (non-GAAP measure)

(a) Analysis by nature

	2019 US$m	2018 US$m
Cash and cash equivalents (net of overdrafts)	**146**	137
Debt due within one year - commercial paper	**(179)**	(353)
Debt due within one year - bonds and notes	**(578)**	(572)
Debt due within one year - bank loans and finance lease obligations	**(105)**	(3)
Debt due after more than one year - bonds and notes	**(2,132)**	(1,837)
Debt due after more than one year - bank loans and finance lease obligations	**(308)**	(706)
Derivatives hedging loans and borrowings	**(119)**	(74)
	(3,275)	(3,408)

(b) Analysis by balance sheet caption

	2019 US$m	2018 US$m
Cash and cash equivalents	**149**	156
Current borrowings	**(869)**	(956)
Non-current borrowings	**(2,455)**	(2,558)
Borrowings	**(3,324)**	(3,514)
Total reported in the Group balance sheet	**(3,175)**	(3,358)
Accrued interest reported within borrowings above but excluded from Net debt	**19**	24
Derivatives reported within financial assets	**14**	50
Derivatives reported within financial liabilities	**(133)**	(124)
	(3,275)	(3,408)

(c) Analysis of movements in Net debt

	Net debt at 1 April 2018	Movements in the year ended 31 March 2019				**Net debt at 31 March 2019**
		Net cash inflow/ (outflow)	Net share purchases	Fair value gains/(losses)	Exchange and other movements	
	US$m	US$m	US$m	US$m	US$m	**US$m**
Borrowings*	(3,514)	96	-	12	82	**(3,324)**
Derivatives hedging loans and borrowings	(74)	(5)	-	(12)	(28)	**(119)**
Total financing liabilities	(3,588)	91	-	-	54	**(3,443)**
Cash and cash equivalents*	156	231	(215)	-	(23)	**149**
Accrued interest	24	(5)	-	-	-	**19**
	(3,408)	**317**	**(215)**	**-**	**31**	**(3,275)**

* Total reported in the Group balance sheet.

18. Undrawn committed bank borrowing facilities

	2019 US$m	2018 US$m
Facilities expiring in:		
One to two years	**375**	150
Two to three years	**300**	375
Three to four years	**-**	1,800
Four to five years	**1,950**	-
	2,625	2,325

During the year we renegotiated our principal bank facilities, extending the maturity date from June 2021 to December 2023, with extension options to December 2025. These facilities are at variable interest rates and are in place for general corporate purposes, including the financing of acquisitions and the refinancing of other borrowings.

Notes to the financial statements (continued)

for the year ended 31 March 2019

19. Called-up share capital and share premium account

	Number of shares million	Called-up share capital US$m	Share premium account US$m
At 1 April 2017	1,005.6	100	1,530
Shares issued under employee share incentive plans	1.1	-	16
Purchase and cancellation of own shares	(26.6)	(3)	-
At 31 March 2018	980.1	97	1,546
Shares issued under employee share incentive plans	0.9	-	13
Purchase and cancellation of own shares	(9.5)	(1)	-
At 31 March 2019	**971.5**	**96**	**1,559**

20. Own shares held

	Number of shares million	Cost of shares US$m
At 1 April 2017	75	1,232
Purchase of shares by employee trusts	2	37
Exercise of share awards and options	(3)	(42)
At 31 March 2018	74	1,227
Exercise of share awards and options	(4)	(60)
At 31 March 2019	**70**	**1,167**

Own shares held at 31 March 2019 include 61 million shares held as treasury shares and 9 million shares held by employee trusts. Own shares held at 31 March 2018 include 62 million shares held as treasury shares and 12 million shares held by employee trusts. The total cost of own shares held at 31 March 2019 of US$1,167m (2018: US$1,227m) is deducted from other reserves in the Group balance sheet.

Notes to the financial statements (continued)

for the year ended 31 March 2019

21. Acquisitions

(a) Acquisitions in the year

The Group made one immaterial acquisition during the year ended 31 March 2019, in connection with which provisional goodwill of US$43m was recognised based on the fair value of the net assets acquired of US$13m.

Net assets acquired, goodwill and acquisition consideration are analysed below.

	US$m
Intangible assets:	
Customer and other relationships	**18**
Trademarks	**7**
Intangible assets	**25**
Trade and other receivables	**2**
Trade and other payables	**(14)**
Total identifiable net assets	**13**
Goodwill	**43**
Total	**56**
Satisfied by:	
Cash	**56**

The provisional fair value contains amounts which will be finalised no later than one year after the date of acquisition. Provisional amounts have been included at 31 March 2019 as a consequence of the timing and complexity of the acquisitions. Goodwill represents the synergies, assembled workforces and future growth potential of the business. The goodwill arising in the year of US$43m is currently deductible for tax purposes.

A further US$6m of goodwill was recognised in the year in relation to the acquisition of Clarity Services, Inc., which completed in the year ended 31 March 2018, as a result of the finalisation of the acquisition accounting. Deferred consideration of US$16m was paid in the year and a US$16m increase in the fair value of contingent consideration was recognised in the Group income statement in respect of this and other acquisitions made during the year ended 31 March 2018.

There have been no other material gains, losses, error corrections or other adjustments recognised in the year ended 31 March 2019 that relate to acquisitions in the current or prior years.

(b) Additional information

(i) Current year acquisition

	US$m

Increase in book value from fair value adjustments:	
Intangible assets	**25**
Trade and other payables	**(7)**
Increase in book value from fair value adjustments	**18**
Gross contractual amounts receivable in respect of trade and other receivables	**2**
Pro-forma revenue from 1 April 2018 to date of acquisition	**11**
Revenue from date of acquisition to 31 March 2019	**1**
Profit before tax from date of acquisition to 31 March 2019	**-**

Notes to the financial statements (continued)

for the year ended 31 March 2019

21. Acquisitions

(b) Additional information (continued)

At the date of acquisition, the gross contractual amounts receivable in respect of trade and other receivables of US$2m were expected to be collected in full.

If the transaction had occurred on the first day of the financial year, then estimated additional contribution to Group revenues would have been US$11m and the profit before tax would have been US$1m.

(ii) Prior year acquisitions

The Group made three acquisitions in the year ended 31 March 2018 which included the acquisition of the whole of the issued share capital of Clarity Services, Inc. A cash outflow of US$141m was reported in the Group cash flow statement for that year, after deduction of US$6m in respect of net cash acquired. There was also deferred consideration settled of US$5m on acquisitions made prior to 31 March 2018.

(iii) Post balance sheet acquisition

On 30 April 2019, the Group completed the transaction to acquire Compuscan (CSH Group (Pty)) Limited for R3,720m (c. US$263m)[1]. A successful provider of credit data and analytics services to clients of all sizes in South Africa. The fair value of goodwill, software development, customer relationships and other assets and liabilities will be reported in the Group's half-yearly financial statements for the six months ending 30 September 2019 and in the 2020 Annual Report.

1 Cash consideration before adjustment for debt and net working capital. Translated at ZAR/US$ exchange rate of 14.17.

22. Disposals

During the year ended 31 March 2019 two small businesses were divested, one based in the UK and Ireland region and one in Latin America. In total, proceeds of US$12m were received in cash which resulted in a profit on disposal of US$5m being recognised in the year.

(a) Profit on disposal - year ended 31 March 2018

On 31 May 2017 we completed the divestment of CCM:

	US$m
Net assets disposed of - book value at date of disposal:	
Goodwill	214
Other intangible assets	50
Property, plant and equipment	17
Trade and other receivables	73
Deferred tax assets	2
Trade and other payables	(10)
Accruals and contract liabilities[1]	(13)
Current tax liabilities	(3)
Deferred tax liabilities	(17)
Net assets disposed of	313
Disposal proceeds:	
Net cash proceeds after consideration of working capital adjustments and mutual transaction costs	270
Promissory note	75
Share of divested business	31
Transaction costs and provisions	(9)
Total net proceeds	367
Profit on disposal	54

1 Balances historically presented as deferred income are now presented as contract liabilities following the adoption of IFRS 15 (note 3).

Notes to the financial statements (continued)

for the year ended 31 March 2019

22. Disposals (continued)

(b) Cash inflow from disposals

	2019	2018			
	Total US$m	CCM US$m	Comparison shopping and lead generation businesses US$m	Other US$m	Total US$m
Proceeds received in cash	**12**	270	-	2	272
Transaction costs	**-**	(7)	-	-	(7)
Proceeds from loan note	**-**	-	15	-	15
Net cash Inflow	**12**	263	15	2	280

As indicated in note 11, in the year ended 31 March 2018, we divested CCM and received the remaining value of the loan note receivable in relation to the disposal of the comparison shopping and lead generation businesses in 2012. In addition, we divested a small North American based business, the proceeds of which were US$2m.

23. Related party transactions

The Group's related parties were disclosed in the Group's statutory financial statements for the year ended 31 March 2018. Following the divestment of CCM in the year ended 31 March 2018 the Group owns 24.47% of the issued share capital of Vector CM Holdings (Cayman), L.P. (Vector), a partnership incorporated in Cayman Islands.

The Group recorded the following transactions and balances with Vector and its subsidiaries:

	Transaction amount		Balance owed to Experian	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Promissory note	**7**	78	**85**	78
Interest on promissory note	**7**	2	**2**	2
Transitional Services Arrangement (TSA) fees	**2**	15	**-**	1
Net amounts collected/(settled) and (payable)/receivable under the TSA	**(6)**	3	**(1)**	2

The promissory note is due and payable to Experian on 31 May 2024 with interest also payable on this date. The 12-month TSA between the Group and Vector to provide services to the partnership has been extended. During the year ended 31 March 2019, we continued to process transactions on behalf of Vector. We receive a pre-agreed fee for the execution of the TSA and do not receive any margin on individual transactions. Details of amounts arising from the TSA are shown in the table below.

	Transaction amount		Balance owed to Vector	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Cash received on behalf of Vector	**28**	77	**1**	6

	Transaction amount		Balance owed to Experian	
	To 31 March 2019 US$m	To 31 March 2018 US$m	**At 31 March 2019 US$m**	At 31 March 2018 US$m
Cash paid on behalf of Vector	**22**	80	**-**	8

In the year ended 31 March 2018 the Group acquired a 25% stake in London & Country Mortgages Limited. During the year transactions with this associate totalled US$6m (2018: US$1m). The balance owed to Experian at 31 March was US$0.4m (2018: US$nil).

Notes to the financial statements (continued)

for the year ended 31 March 2019

24. Contingencies

(a) North America security incident

In September 2015, Experian North America suffered an unauthorised intrusion to its Decision Analytics computing environment that allowed unauthorised acquisition of certain data belonging to a client, T-Mobile USA, Inc. We notified the individuals who may have been affected and offered free credit monitoring and identity theft resolution services. In addition, government agencies were notified as required by law. The costs of directly responding to this incident were reflected in a US$20m income statement charge in the year ended 31 March 2016.

We have received a number of class actions and other related claims in respect of the incident and are working with regulators and government bodies as part of their investigations. It is currently not possible to predict the scope and effect on the Group of these various regulatory and government investigations and legal actions, including their timing and scale. In the event of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

(b) Brazil tax

As previously indicated, Serasa S.A. has been advised that the Brazilian tax authorities are challenging the deduction for tax purposes of goodwill amortisation arising from its acquisition by Experian in 2007. In August 2017, the Brazilian courts ultimately upheld Experian's position in respect of the tax years from 2007 to 2010 with no further right of appeal. The Brazilian tax authorities have raised a similar assessment in respect of the 2011 and 2012 tax years, in which approximately US$45m was claimed, and may raise similar claims in respect of other years. The possibility of this resulting in a liability to the Group is believed to be remote, on the basis of the advice of external legal counsel, success in the first case and other factors in respect of the claim.

(c) UK marketing services regulation

Experian is in a process with the UK Information Commissioner's Office (ICO) with respect to a 2018 audit of several companies on the use of data for marketing purposes under the new EU General Data Protection Regulation (GDPR), which relates to our marketing services activities in the UK. We expect the outcome of this review to be released in early FY20. At this stage we do not know what the final outcome will be, but it may require some changes to business processes in our UK marketing services business. This business represents approximately 1.6% of Experian's global revenues and we do not expect this to result in a materially adverse financial outcome for the Experian Group.

(d) Other litigation and claims

There continue to be a number of pending and threatened litigation and other claims involving the Group across all its major geographies which are being vigorously defended. The directors do not believe that the outcome of any such claims will have a materially adverse effect on the Group's financial position. However, as is inherent in legal, regulatory and administrative proceedings, there is a risk of outcomes that may be unfavourable to the Group. In the case of unfavourable outcomes, the Group may benefit from applicable insurance recoveries.

25. Events occurring after the end of the reporting period

Details of the second interim dividend announced since the end of the reporting period are given in note 13(a).
Details of the post balance sheet acquisition completed on 30 April 2019 are provided in note 21(b)(iii).

26. Company website

A full range of investor information is available at www.experianplc.com. Details of the 2019 Annual General Meeting (AGM), to be held at The Merrion Hotel, Upper Merrion Street, Dublin 2, D02 KF79, Ireland at 9.30 am on Wednesday, 24 July 2019, are given on the website and in the notice of meeting. Information on the Company's share price is available on the website.

Notes to the financial statements (continued)

for the year ended 31 March 2019

27. Risks and uncertainties

Identifying and managing risk is key to our business. Doing so helps us deliver long-term shareholder value and protect our business, people, assets, capital and reputation.

The Board is responsible for maintaining and reviewing the effectiveness of our risk management activities from a strategic, financial, and operational perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business strategy.

The risk management process is designed to identify, assess, respond to, report on and monitor the risks that threaten our ability to achieve our business strategy and objectives, within our risk appetite.

(a) Risk area - Loss or inappropriate use of data and systems

Description

We hold and manage sensitive consumer information that increases our exposure and susceptibility to cyber-attacks, either directly through our online systems or indirectly through our partners or third-party contractors.

Potential impact

Losing or misusing sensitive consumer data could cause problems for consumers and result in material loss of business, substantial legal liability, regulatory enforcement actions and/or significant harm to our reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We deploy physical and technological security measures, combined with monitoring and alerting for suspicious activities.
- We maintain an information security programme for identifying, protecting against, detecting and responding to cyber security risks and recovering from cyber security incidents.
- We impose contractual security requirements on our partners and other third parties that use our data, complemented by periodic reviews of third-party controls.
- We maintain insurance coverage, where feasible and appropriate.

(b) Risk area - Failure to comply with laws and regulations

Description

We hold and manage sensitive consumer information and we must comply with many privacy and consumer protection laws, regulations and contractual obligations.

Potential impact

Non-compliance may result in material litigation, including class actions, as well as regulatory actions. These could result in civil or criminal liability or penalties and damage to our reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We maintain a compliance management framework that includes defined policies, procedures and controls for Experian employees, business processes, and third parties such as our data resellers.
- We assess the appropriateness of using data in new and changing products and services.
- We vigorously defend all pending and threatened claims, employing internal and external counsel to effectively manage and conclude such proceedings.
- We analyse the causes of claims, to identify any potential changes we need to make to our business processes and policies. We maintain insurance coverage, where feasible and appropriate.

Notes to the financial statements (continued)

for the year ended 31 March 2019

27. Risks and uncertainties (continued)

(c) Risk area - Non-resilient IT/ business environment

Description

Delivery of our products and services depends on a number of key IT systems and processes that expose our clients, consumers and businesses to serious disruption in the event of systems or operational failures.

Potential impact

A significant failure or interruption could have a materially adverse effect on our business, financial performance, financial condition and reputation. The impact of this risk, if it materialises, will typically be felt in the near term.

Examples of control mitigation

- We maintain a significant level of resilience in our operations, designed to avoid material and sustained disruption to our businesses, clients and consumers.
- We design applications to be resilient and with a balance between longevity, sustainability and speed.
- We maintain a global integrated business continuity framework that includes industry-appropriate policies, procedures and controls for all our systems and related processes, as well as ongoing review, monitoring and escalation activities.
- We duplicate information in our databases and maintain back-up data centres.

(d) Risk area - Business conduct risk

Description

Our business model is designed to create long-term value for people, businesses and society, through our data assets and innovative analytics and software solutions. Inappropriate execution of our business strategies or activities could adversely affect our clients, consumers or counterparties.

Potential impact

Consumers or clients could receive inappropriate products or not have access to appropriate products, resulting in material loss of business, substantial legal liability, regulatory enforcement actions or significant harm to our reputation. The impact of this risk, if it materialises, will typically be felt in the short term.

Examples of control mitigation

- We maintain appropriate governance and oversight. This is achieved through policies, procedures and controls. These are all designed to safeguard personal data, avoid detriment to consumers, provide consumer-centric product design and delivery, and effectively respond to enquiries and complaints.
- The above activities also support a robust conduct risk management framework.
- We enforce our Global Code of Conduct, Anti-Corruption Policy and Gifts and Hospitality Policy. If we believe employees or suppliers are not following our conduct standards, we will investigate thoroughly and take disciplinary action where appropriate.

(e) Risk area - Dependence on highly skilled personnel

Description

Our success depends on our ability to attract, motivate and retain key talent while also building future leadership.

Potential impact

Not having the right people could materially affect our ability to service our clients and grow our business. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- In every region, we have ongoing programmes for recruitment, personal and career development, and talent identification and development
- As part of our employee engagement strategy, we conduct an Annual People Survey and periodic Pulse Surveys. We track progress against our action plans.
- We offer competitive compensation and benefits and review them regularly.
- We actively monitor attrition rates, with a focus on individuals designated as high talent or in strategically important roles.

Notes to the financial statements (continued)

for the year ended 31 March 2019

27. Risks and uncertainties (continued)

(f) Risk area - Adverse and unpredictable financial markets or fiscal developments

Description

We operate globally and our results could be affected by global, regional or national changes in fiscal or monetary policies.

A substantial change in credit markets in the USA, Brazil or the UK could reduce our financial performance and growth potential in those countries.

We present our financial statements in US dollars. However, we transact business in a number of currencies. Changes in other currencies relative to the US dollar affect our financial results. A substantial rise in US, EU or UK interest rates could increase our future cost of borrowings.

We are subject to complex and evolving tax laws and interpretations, which may change significantly. These changes may increase our effective tax rates in the future. Uncertainty about the application of these laws may also result in different outcomes from the amounts we provide for.

We have a number of outstanding tax matters and resolving them could have a substantial impact on our financial statements, cash and reputation.

Potential impact

The US, Brazilian and UK markets are significant contributors to our revenue. A reduction in one or more of these consumer and business credit services markets could reduce our revenue and profit.

We benefit from the strengthening of currencies relative to the US dollar and are adversely affected by currencies weakening relative to it.

We have outstanding debt denominated principally in euros, pounds sterling and US dollars. As this debt matures, we may need to replace it with borrowings at higher interest rates.

Our earnings could be reduced and tax payments increased as a result of settling historical tax positions or increases in our effective tax rates.

Adverse publicity around tax could damage our reputation.

The impact of this risk, if it materialises, will typically be felt in the short to long term.

Examples of control mitigation

- We have a diverse portfolio by geography, product, sector and client. We provide counter-cyclical products and services.
- We convert cash balances in foreign currencies into US dollars.
- We fix the interest rates on a proportion of our borrowings.
- We retain internal and external tax professionals, who regularly monitor developments in international tax and assess the impact of changes and differing outcomes.
- We review contingency plans in our key markets as to specific potential responses to worsening economic conditions.

Notes to the financial statements (continued)

for the year ended 31 March 2019

27. Risks and uncertainties (continued)

(g) Risk area - New legislation or changes in regulatory enforcement

Description

We operate in an increasingly complex environment and many of our activities and services are subject to legal and regulatory influences. New laws, new interpretations of existing laws, changes to existing regulations and heightened regulatory scrutiny could affect how we operate. For example, future regulatory changes could affect how we collect and use consumer information for marketing, risk management and fraud detection. Regulatory changes could impact how we serve Consumer Services clients or how we market services to clients or consumers.

Potential impact

We may suffer increased costs or reduced revenue resulting from modified business practices, adopting new procedures, self-regulation and litigation or regulatory actions resulting in liability or fines. The impact of this risk, if it materialises, will typically be felt in the short term.

Examples of control mitigation

- We use internal and external resources to monitor planned and realised changes in legislation.
- We educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, our clients and other stakeholders in the public policy debate.
- Our global Compliance team has region-specific regulatory expertise and works with our businesses to identify and adopt balanced compliance strategies.
- We execute our Compliance Management Programme, which directs the structure, documentation, tools and training requirements to support compliance on an ongoing basis.

(h) Risk area - Increasing competition

Description

We operate in dynamic markets such as business and consumer credit information, decisioning software, fraud, marketing, and consumer services. Our competitive landscape is still evolving, with traditional players reinventing themselves, emerging players investing heavily and new entrants making commitments in new technologies or approaches to our markets. There is a risk that we will not respond adequately to such disruptions or that our products and services will fail to meet changing client and consumer preferences.

Potential impact

Price reductions may reduce our margins and financial results. Increased competition may reduce our market share, harm our ability to obtain new clients or retain existing ones, affect our ability to recruit talent and influence our investment decisions. We might also be unable to support changes in the way our businesses and clients use and purchase information, affecting our operating results. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We continue to research and invest in new data sources, analytics, technology, capabilities and talent to deliver our strategic priorities.
- We continue to develop innovative new products that leverage our scale and expertise and allow us to deploy capabilities in new and existing markets and geographies.
- We use rigorous processes to identify and select our development investments, so we can efficiently and effectively introduce new products and solutions to the market.
- Where appropriate, and available, we make acquisitions, take minority investments and enter into strategic alliances to acquire new capabilities and enter into new markets.

Notes to the financial statements (continued)

for the year ended 31 March 2019

27. Risks and uncertainties (continued)

(i) Risk area - Data ownership, access and integrity

Description

Our business model depends on our ability to collect, aggregate, analyse and use consumer and client information. There is a risk that we may not have access to data due to consumer privacy and data accuracy concerns, or data providers being unable or unwilling to provide their data to us or imposing a different fee structure for using their data.

Potential impact

Our ability to provide products and services to our clients could be affected, leading to a materially adverse impact on our business, reputation and/or operating results. The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We monitor legislative and regulatory initiatives, and educate lawmakers, regulators, consumer and privacy advocates, industry trade groups, clients and other stakeholders in the public policy debate.
- We use standardised selection, negotiation and contracting with respect to provider agreements, in order to address delivery assurance, reliability and protections relating to critical service provider relationships.
- Our contracts define how we can use data and provide services.
- We analyse data to make sure we receive the highest quality and best value.
- We invest in programmes to enhance data accuracy and security.
- We continue to look for alternative/secondary data sources where possible.

(j) Risk area - Undesirable investment outcomes

Description

We critically evaluate, and may invest in, equity investments and other growth opportunities, including internal performance improvement programmes. To the extent invested, any of these may not produce the desired financial or operating results.

Potential impact

Failure to successfully implement our key business strategies could have a materially adverse effect on our ability to achieve our growth targets.

Poorly executed business acquisitions or partnerships could result in material loss of business, increased costs, reduced revenue, substantial legal liability, regulatory enforcement actions and significant harm to our reputation.

The impact of this risk, if it materialises, will typically be felt in the long term.

Examples of control mitigation

- We analyse competitive threats to our business model and markets.
- We carry out comprehensive business reviews.
- We perform comprehensive due diligence and post-investment reviews on acquisitions and investments.
- We employ a rigorous capital allocation framework.
- We design our incentive programmes to optimise shareholder value through delivery of balanced, sustainable returns and a sound risk profile over the long term.

Statement of directors' responsibilities

The directors confirm that, to the best of their knowledge, the financial statements are prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the Group taken as a whole; and the Strategic report contains a fair review of the development and performance of the business and the position of the Company and the Group taken as a whole, together with a description of the principal risks and uncertainties that they face, which is included in note 27.

The names and functions of the directors in office as at 16 May 2018 were listed in the Experian annual report 2018. In the period from 16 May 2018 to the date of this report:

- Roger Davis retired as a non-executive director on 18 July 2018.

A list of current directors is maintained on the Company website at www.experianplc.com.

By order of the Board

Charles Brown

Company Secretary

14 May 2019

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